

Huadong Medicine Co., Ltd.

Semi-Annual Report 2023

August 16, 2023

Section I. Important Declaration, Contents and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors and senior managers of Huadong Medicine Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this semi-annual report is authentic, accurate and complete and free of any false records, misleading statements or material omissions, and shall undertake individual and joint legal liabilities.

Lv Liang, the Company’s legal representative and the officer in charge of accounting, and Qiu Renbo, head of the Accounting Department (accounting supervisor) hereby declare and guarantee that the financial statements in this semi-annual report are authentic, accurate and complete.

All directors have attended the board meeting to review this semi-annual report.

The future plans, development strategies and other forward-looking statements in this semi-annual report shall not be considered as substantial commitment of the Company to investors. Investors and related parties should be fully aware of the risks, and understand the differences between plans, forecasts and commitments.

The risks the Company faces in operation include industry policy and product price reduction risk, new drug R&D risk, investment and M&A risk, and exchange rate fluctuation risk. For details, please refer to “X. Potential risks and responses” in “Section III. Management Discussion and Analysis”. Therefore, investors are kindly reminded to pay attention to possible

investment risks.

The Company does not plan to distribute cash dividends, no bonus share will be issued, and no capital reserve will be converted to increase the share capital.

According to “Stock Listing Rules of the Shenzhen Stock Exchange”, if listed companies have both Chinese or other language version of public notice, they should ensure the content of both versions are the same. In the case of discrepancy, the original version in Chinese shall prevail.

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Contents of Reference File

I. Financial statements signed and stamped by the legal representative, the person in charge of accounting work, and the head of accounting institution (accounting manager).

II. The original of all Company's documents publicly disclosed in the press designated by CSRC during the reporting period and the original of announcements.

Definitions

Term	refers to	Definition
CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shenzhen Stock Exchange
Huadong Medicine/the Company/our Company	refers to	Huadong Medicine Co., Ltd.
CGE	refers to	China Grand Enterprises, Inc.
Huadong Medicine Group	refers to	Hangzhou Huadong Medicine Group Co., Ltd.
Zhongmei Huadong	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.
Jiangdong Company	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.
Jiangsu Joyang Laboratories	refers to	Jiangsu Joyang Laboratories
Xi'an Bohua	refers to	Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.
Jiuyuan Gene	refers to	Hangzhou Jiuyuan Gene Engineering Co., Ltd.
Doer Biologics	refers to	Zhejiang Doer Biologics Co., Ltd.
Huadong Ningbo Company	refers to	Huadong Ningbo Medicine Co., Ltd.
Chongqing Peg-Bio	refers to	Chongqing Peg-Bio Biopharm Co., Ltd.
Qyuns Therapeutics	refers to	Qyuns Therapeutics Co., Ltd.
Nuoling Bio	refers to	Nuoling Biomedical technology (Beijing) Co., Ltd.
Grand Chanrong	refers to	Shanghai Grand Industrial and Financial Investment Management Co., Ltd.
Hangzhou Gaotou	refers to	Hangzhou Hi-Tech Venture Capital Management Co., Ltd.
Grand Huachuang	refers to	Beijing Grand Huachuang Investment Co., Ltd.
Hangzhou Heda	refers to	Hangzhou Heda Industrial Fund Investment Co., Ltd.
Pharmaceutical Industry Fund/Fuguang Hongxin	refers to	Hangzhou Fuguang Hongxin Equity Investment Partnership (Limited Partnership)
Meihua Hi-Tech	refers to	Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.
Wuhu Huaren	refers to	Wuhu Huaren Science and Technology Co., Ltd.
Meiqi Health	refers to	Hubei Meiqi Health Technology Co., Ltd.
Angel Group	refers to	Hubei Angel Biological Group Co., Ltd.
CARsgen Therapeutics	refers to	CARsgen Therapeutics Holdings Limited
NAU Animal Pharmaceutical	refers to	Jiangsu NAU Animal Pharmaceutical Co., Ltd.
Takeda	refers to	Takeda Pharmaceuticals Company Ltd.
Sinclair	refers to	Sinclair Pharma Limited
vTv	refers to	vTv Therapeutics LLC
R2	refers to	R2 Technologies, Inc.
MediBeacon	refers to	MediBeacon Inc.

ImmunoGen	refers to	ImmunoGen, Inc.
Provention Bio	refers to	Provention Bio, Inc.
RAPT	refers to	RAPT Therapeutics, Inc.
Kylane	refers to	Kylane Laboratoires SA
High Tech	refers to	High Technology Products, S.L.U.
Exscientia	refers to	Exscientia Ltd.
Heidelberg Pharma	refers to	Heidelberg Pharma AG
Kiniksa	refers to	Kiniksa Pharmaceuticals (UK), Ltd.
KiOmed	refers to	KiOmed Pharma SA
Daewon	refers to	Daewon Pharmaceutical Co., Ltd.
AKSO	refers to	AKSO Biopharmaceutical, Inc.
Ashvattha	refers to	Ashvattha Therapeutic, Inc.
SCOHIA	refers to	SCOHIA PHARMA, Inc.
EMA Aesthetics	refers to	EMA Aesthetics Limited
Julphar	refers to	Gulf Pharmaceutical Industries PJSC(JULPHAR)
Arcutis	refers to	Arcutis Biotherapeutics, Inc.
GMP	refers to	Good Manufacturing Practice
cGMP	refers to	Current Good Manufacturing Practices
GSP	refers to	Good Supply Practice
BE	refers to	Bioequivalence
CDE	refers to	Center for Drug Evaluation (of National Medical Products Administration)
MAH	refers to	Marketing Authorization Holder
FDA	refers to	(U.S.) Food and Drug Administration
NMPA	refers to	National Medical Products Administration
NHSA	refers to	National Healthcare Security Administration
NDA	refers to	New Drug Application
ANDA	refers to	Abbreviated New Drug Application (or Generic Drug Application)
ICH	refers to	International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use
IND	refers to	Investigational New Drug
PK/PD	refers to	Pharmacokinetics/ pharmacodynamics
CMC	refers to	Chemistry, Manufacturing and Control, mainly such pharmaceutical researches as manufacturing technology, impurity research, quality research, and stability research during drug research and development.
CMO	refers to	Contract Manufacturing Organization, i.e. Providing such services as customized manufacturing of medical intermediates, APIs and pharmaceutical preparations entrusted by pharmaceutical

		companies.
CDMO	refers to	Contract Development and Manufacturing Organization, mainly including providing customized R&D and production services for multinational pharmaceutical companies and biotechnology companies, such as process R&D and preparation, process optimization, scale-up manufacturing, registration and verification batches manufacturing, and commercial manufacturing of medicines, especially innovative medicines.
QA	refers to	Quality Assurance (department)
ADC	refers to	Antibody-Drug Conjugates
EBD	refers to	Energy Based Devices
license-in	refers to	Product license introduction
license-out	refers to	Product External License Authorization
BD	refers to	Business Development
EBITDA	refers to	Earnings Before Interest, Taxes, Depreciation and Amortization
EHS	refers to	Environment, Health and Safety Management Systems
MRCT	refers to	International Multi-center Clinical Trial
OTC	refers to	Over The Counter, i.e. medicines published by the medical products administration under the State Council and purchased and used by consumers at their discretion without the prescription of practicing doctors or assistant practicing doctors.
PFS	refers to	Progression-free survival
Prescription Drugs	refers to	Drugs that require medical prescriptions issued by physicians to be bought and used
Real World Research/Study, RWR/RWS	refers to	Real World Research/Study, RWR/RWS, refers to collect data related to patients in the real world environment (Real World Data), through analysis, acquiring the use value of medical products and clinical evidence of potential benefits or risks (Real World Evidence).
2022 Drug Catalog	refers to	<i>Catalogue of Drugs for Basic National Medical Insurance/Employment Injury Insurance/Birth Insurance (2022)</i>
Reporting Period	refers to	From January 1, 2023 to June 30, 2023

Section II. Company Profile and Key Financial Indicators

I. Company information

Stock name (abbreviation)	Huadong Medicine	Stock code	000963
Stock listed on	Shenzhen Stock Exchange		
Company name in Chinese	华东医药股份有限公司		
Company name in Chinese (abbreviation, if any)	华东医药		
Company name in English (if any)	HUADONG MEDICINE CO., LTD		
Company name in English (abbreviation, if any)	HUADONG MEDICINE		
Legal representative	Lv Liang		

II. Contact persons and contact information

	Secretary of the Board of Directors	Securities affairs representative
Name	Chen Bo	Hu Shufen
Contact address	No. 866 Moganshan Road, Hangzhou	No. 866 Moganshan Road, Hangzhou
Tel.	0571~89903300	0571~89903300
Fax	0571~89903300	0571~89903300
Email address	hz000963@126.com	hz000963@126.com

III. Other information

1. Company's contact information

Whether there is any change in the Company's registered address, office address, zip code, company website or company email address during the reporting period.

☒ Applicable ☐ N/A

Registered address of the Company	In June 2023, the registered address of the Company was altered from "Floor 9/10, Gate No. 9, 1, Building No. 1, No. 468 Yan'an Road, Hangzhou, Zhejiang Province" to "Floor 4/7, No. 439, Zhongshan North Road, Gongshu District, Hangzhou, Zhejiang Province". The Company completed the industrial and commercial change registration, filing of articles of association and other formalities, and got the <i>Business License</i> issued by Market Supervision and Management Bureau of Zhejiang Province.
Zip code of the registered address of the Company	310006
Office address of the Company	No. 866 Moganshan Road, Hangzhou, Zhejiang Province
Zip code of the office address of the Company	310011
Official website	www.eastchinapharm.com
Email address of the Company	hz000963@126.com

Designated website inquiry date disclosed in the temporary announcement (if any)	June 10, 2023
Designated website inquiry index disclosed in the temporary announcement (if any)	http://www.cninfo.com.cn/

2. Channels of disclosure and location of preparation

Whether there is alteration in channels of disclosure and location of preparation

☐ Applicable ☒ N/A

The website of the stock exchange, media and website for disclosing the semi-annual report, and the location of preparation of the Company's semi-annual report have not changed during the reporting period. For details, please refer to the 2022 Annual Report.

3. Other information

Changes of other related materials

☐ Applicable ☒ N/A

IV. Key accounting data and financial indicators

Whether the Company needs to perform a retroactive adjustment or restatement of previous accounting data

☐ Yes ☒ No

	Current reporting period	Same period last year	Change of the current reporting period over the same period last year(%)
Operating revenue (yuan)	20,385,344,288.81	18,197,963,991.01	12.02%
Net profit attributable to shareholders of listed companies (yuan)	1,433,824,629.56	1,340,570,484.98	6.96%
Net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses (yuan)	1,427,487,870.97	1,271,839,179.63	12.24%
Net cash flow from operating activities (yuan)	2,021,743,748.65	284,234,410.27	611.29%
Basic earnings per share (yuan/share)	0.8194	0.7661	6.96%
Diluted earnings per share (yuan/share)	0.8190	0.7661	6.91%
Weighted average return on equity (ROE)	7.43%	7.79%	-0.36%
	End of the current reporting	End of last year	Change of the end of the current reporting period over the end of last year (%)
Total assets (yuan)	32,956,000,216.06	31,192,203,406.84	5.65%
Net assets attributable to shareholders of listed companies (yuan)	19,532,395,598.16	18,577,919,237.39	5.14%

The Company's total share capital as of the trading day prior to disclosure:

The Company's total share capital as of the trading day prior to disclosure (share)	1,753,995,348.00
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Fully diluted earnings per share based on the latest share capital:

Paid preference dividends	0.00
Paid perpetual bond interest (yuan)	0.00
Fully diluted earnings per share based on the latest share capital (yuan/share)	0.8175

V. Differences in accounting data under domestic and overseas accounting standards

1. Differences in net profit and net assets disclosed in financial statements under international and Chinese accounting standards

☐ Applicable ☒ N/A

There are no differences in net profit and net assets disclosed in financial statements under international and Chinese accounting standards during the reporting period.

2. Differences in net profit and net assets disclosed in financial statements under overseas and Chinese accounting standards

☐ Applicable ☒ N/A

There are no differences in net profit and net assets disclosed in financial statements under overseas and Chinese accounting standards during the reporting period.

VI. Items and amounts of non-recurring gains/losses

☒ Applicable ☐ N/A

Unit: yuan

Item	Amount	Explanation
Gains/losses on disposal of non-current assets (including the written-off part of the accrued assets impairment reserve)	-1,403,178.70	
Government grants included in current gains/losses (excluding those closely related to daily business operation and distributed constantly in accordance with certain standard quota or quantity in line with national policies and regulations)	32,245,085.57	Mainly due to the confirmation of government grants for subsidiaries in the current period
Gains/losses caused by fair value changes for holding financial assets for trading and financial liabilities for trading, and investment income for handling financial assets for trading, financial liabilities for trading and AFS securities, excluding hedging business related to operating activities	-5,100,698.38	
Other non-operating income and	-8,253,167.53	

expenditures except the aforesaid items		
Other profit and loss items that satisfy the definition of non-recurring profit and loss	-7,873,330.91	
Minus: Amount affected by income tax	3,070,663.74	
Impact on minority interests (post-tax)	207,287.72	
Total	6,336,758.59	

Details of other items of gains/losses meet the definition of non-recurring gains/losses:

☐ Applicable ☒ N/A

Details of other items of gains/losses meet the definition of non-recurring gains/losses.

Explanation for recognizing an item listed as a non-recurring gain/loss in the *Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Companies — Non-Recurring Profit/Loss* as a recurring gain/loss

☐ Applicable ☒ N/A

Explanation for recognizing an item listed as a non-recurring gain/loss in the *Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Companies - Non-Recurring Profit/Loss* as a recurring gain/loss.

Section III Discussion and Analysis of the Management

I. Main business of the company during the reporting period

(1) Main businesses

Founded in 1993 and headquartered in Hangzhou, Zhejiang Province, Huadong Medicine Co., Ltd. (stock code: 000963) was listed on Shenzhen Stock Exchange in December 1999. With its businesses covering the entire pharmaceutical industry chain thanks to over 30 years of vigorous development, the Company has now fostered four major business segments of pharmaceutical industry, pharmaceutical business, aesthetic medicine and industrial microbiology, and has been a large comprehensive listed pharmaceutical enterprise specialized in pharmaceutical R&D, production and marketing.

Specialized in the R&D, production and marketing of specialized and chronic diseases, as well as special medicines for years, the Company has established complete pharmaceutical production and quality research systems, and fostered core product lines focusing on chronic nephrosis, transplantation immunity, internal secretion, digestive system and other fields. With multiple first-line clinical medicines with market advantages in China, the Company has made layout in R&D of innovative and high technology barrier generic medicines in three core therapeutic fields of oncology, endocrinology and autoimmunity through independent development, external introduction, project cooperation and by other means. The Company has continued to engage in international registration, international certification, consistency evaluation, etc. of products, with successive results achieved. Moreover, the Company has fostered the internationally-oriented pharmaceutical industry system, established and maintained R&D and project cooperation with multiple international innovative R&D enterprises.

With regard to the pharmaceutical business, the Company has vigorously consolidated its foundation in Zhejiang Province and has been ranked among top 10 pharmaceutical business enterprises in China for consecutive years. To date, the Company has established 11 regional subsidiaries in Zhejiang Province, with its customers distributed in 11 cities and 90 districts, counties and county-level cities throughout Zhejiang Province. The Company has four business segments of Chinese & western medicine, medical apparatus, medicine materials and ginseng & antler, and health industry that cover the pharmaceutical wholesale & retailing, third-party medical logistics featuring cold chain, medical e-commerce, hospital value-added services and featured massive health industry. Further expanding the product agency and market development, the

Company has formed the whole industry chain from planting in bases to processing of prepared pieces, automatic decoction, own-brand functional products for its traditional Chinese medicine industry. As the leader of pharmaceutical business in Zhejiang Province, the Company has always focused on strengthening the policy affairs, reserve, distribution and marketing ability, established service platforms, and fostered the competitive advantages of regional enterprises to offer customers comprehensive solutions.

In terms of aesthetic medicine, the Company has created a comprehensive and differentiated product matrix by following the strategy of “global operation layout and dual-circulation operation & development” with an international vision through forward-looking layout, and now ranks in the forefront of the industry in terms of product quantity and coverage. Specifically, over 20 products have been launched in China and abroad, and more than a dozen innovative global products are in development. Now, the Company is committed to becoming a global leading aesthetic medicine comprehensive solution provider by offering patients with more professional, efficient, comprehensive and safer integrated solutions through diversified combined therapy techniques that combine “noninvasive and micro-invasive”, “facial and body filling”, “products + technologies”, and “injection + energy source equipment”. Headquartered in UK, the Company’s wholly-owned subsidiary Sinclair is its global aesthetic medicine operation platform that has R&D centers in UK, the Netherlands, France, Switzerland, Spain and Israel, and production bases in the Netherlands, France, the U.S., Switzerland, Bulgaria and Israel. Promoting and marketing sustained-release microspheres for injection, hyaluronic acid, facial thread lifting and other products in global markets, Sinclair researches, develops and expands its energy-source aesthetic medicine apparatus businesses through its wholly-owned subsidiaries High Tech and Viora. As for the aesthetic medicine segment, the Company also has Sinclair (Shanghai), a wholly-owned subsidiary and its market operation platform in China, as well as R2 in the U.S. and Kylane in Switzerland, two overseas technical development type joint-stock subsidiaries.

With profound industrial base and powerful industrial transformation ability thanks to over 40 years of development in the industrial microbiology sector, the Company has successfully developed and manufactured multiple types of microbiological medicines, and established the key technology system for R&D and production of microbiological products, ranking in the forefront of the industry in terms of scale and technological level of microbiological fermented products. Being market demand-oriented, R&D technology-driven and industrial resource-coordinative in the industrial microbiology segment, the Company has placed its focus on two business scenarios of application of synthetic biology technology system and innovative development of bio-pharmaceuticals, and has fostered differentiated product lines and business solutions in four major

fields of xRNA, featured APIs, massive health & biomaterials and animal health. The Company has also established the R&D clusters with Industrial Microbiology of Zhongmei Huadong, HIT Institute of Synthetic Biology, Huida Biotech, Hizyme Biotech and Perfect mRNA as the core, and seven industrial bases in Hangzhou Xiangfuqiao, Qiantang New Area, Jiangsu Joyang Laboratories, Magic Health, Twisun Hi-tech, Wuhu Huaren, and NAU Animal Pharmaceutical. Moreover, the Company has set up the largest fermentation monomer plants in Zhejiang, formed the industry-leading microbiological medicine production ability and high-level R&D capacity that covers all stages of microbiological engineering technologies from strain construction, metabolic regulation, enzymatic catalysis, synthetic modification to separation and purification, and built a complete manufacturing system for R&D, pilot test, commercial production, engineering and public system guarantee of microbiological projects. To date, the Company has a total of over 230 R&D programs in the industrial microbiology sector.

(2) Overview of the Company's operations during the reporting period

The global economic recovery faces continuous challenges due to accelerated changing international order in turmoil, dramatically adjusted geopolitical pattern, continuously accumulated risks in global financial sectors, multiple downside risks, and rising inflationary pressure since 2023.

The year 2023 is the first year to practice the guiding principles of the 20th CPC National Congress, and also a critical year to implement the “Fourteenth Five-year Plan”. In the face of tough external environment, China has resumed normalized operation in economy and society in full swing since the first half of 2023, witnessing upturn of national economy thanks to the efficient macro policies. The reform of the pharmaceutical industry in China has also been deepened, with diverse reform policies launched and implemented. The pharmaceutical industry still faces changes and challenges in diverse aspects such as policy regulation, structural reform, technological innovation, and intensified market competition, while it is continuously transformed driven by innovation. In the meantime, new bio-pharmaceutical technologies, continuous advancement of technological innovation, as well as rapid application of AI, big data and other new technologies in the pharmaceutical sector bring new opportunities for the transformation and development of the pharmaceutical industry.

During the reporting period, the Company has steadily facilitated the innovative transformation and international development strategy, made concerted efforts to tide over diverse difficulties, and solidly promoted the innovation in scientific research, production and operation to a new level revolving around its annual operation plan and the seventh third-year plan. In the first half of 2023, the Company achieved the operating revenue of 20.385 billion yuan, up 12.02% year on year (up 13.23% year on year in the first quarter), and the net profit attributable to shareholders

of listed companies after deducting non-recurring gains/losses of 1.427 billion yuan, up 12.24% year on year (up 8.45% year on year in the first quarter). During the reporting period, after deducting the equity incentive expenses and the profits and losses of participating and holding R&D institutions, the Company achieved the net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses of 1.656 billion yuan, up 20.61% year on year. The Company achieved the double-digit growth in both operating revenue and net profits for the first time since 2020 and witnessed favorable upturn of the overall operation, laying a solid foundation for fully attaining its annual work goals.

During the reporting period, four major business segments of the Company, i.e. pharmaceutical industry, pharmaceutical business, aesthetic medicine and industrial microbiology, all achieved positive growth in business indicators, accelerating the release of the Company's momentum in overall growth. As its operating revenue in the first quarter exceeded 10 billion yuan for the first time, the Company achieved a total operating revenue of 10.271 billion yuan in the second quarter, up 10.85% year on year. The net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses was 670 million yuan, up 16.85% year on year.

Specific operation of each business segment during the reporting period:

1. The production and operation of the pharmaceutical industry saw and kept positive trend

During the reporting period, the Company's core subsidiary Zhongmei Huadong witnessed positive growth as a whole and achieved the operating revenue (including CSO business) of 6.054 billion yuan, up 10.04% year on year, and the consolidated net profit after deducting net profits attributable to the parent company of 1.226 billion yuan, up 15.11% year on year. The net return on equity was 12.38%.

During the reporting period, the Company has further consolidated its three core therapeutic fields of oncology, endocrinology and autoimmunity. In the first half of 2023, the Company's key varieties of products maintained steady and rapid growth, and core products subject to national centralized procurement and medical insurance negotiations still maintained stable market share. In the meantime, the Company kept enriching its product lines through independent R&D and introduction of external products, and formed differentiated and innovative product lines that cover multiple indications and feature reasonable product echelon layout, becoming a leading enterprise in the field of endocrinology and autoimmunity in China. In the field of oncology, the Company kept enriching its pipelines around the key layout of ADC products and continued to maintain its dominant position in the field of ADC in China. During the reporting period, the Company's

innovative R&D kept advancing in an orderly manner, with positive results achieved. Please refer to “(III) R&D situation” below in this section for details.

During the reporting period, Hangzhou Zhongmei Huadong Pharmaceutical Service Corporation continued to build its multi-dimensional market access and professional promotion capabilities, strengthen the academic driving, stabilize the hospital markets, expand the out-of-hospital markets, strengthen the online markets, promote and optimize the construction of the regional marketing department and KA system, enhance the market coverage of grassroots terminals, and continuously promote the digital transformation of pharmaceutical services by taking the opportunity of its product strategic cooperation with RLD multinational pharmaceutical companies.

During the reporting period, the Company’s production systems kept making innovative in production and operation modes and deepening the integrated management of production systems with “high quality and high efficiency” as its goal. While ensuring the market supply, the Company continued to promote the standardization construction of workshops and consolidate the basic management. In the meantime, it further deepened the implementation of lean production and actively promoted the reduction of production costs, witnessing continuous improvement in skill level and per capita labor efficiency of employees. Moreover, the quality compliance and GMP normalization management were further strengthened, and international registration and certification of products were advanced. During the reporting period, the Tacrolimus Capsules of Zhongmei Huadong was approved for marketing by the FDA, becoming another product of the Company that is approved following Pantoprazole Sodium for Injection, Acarbose Tablets and Daptomycin for Injection, China’s first Tacrolimus Preparation approved for marketing in the U.S. and an important achievement of the international strategy of the Company’s preparation products.

2. The industrial microbiology achieved good results in four fields

The Company kept practicing the industrial microbiology development strategy, clarifying its strategic layout focusing on four major fields of xRNA, featured APIs & intermediates, massive health & biomaterials and animal health. In the meantime, the Company continuously enriched the product lines in four major strategic segments of high innovation, high technology barrier and high added-values and optimized its product structures through R&D. During the reporting period, the overall sales revenue of the Company’s industrial microbiology segment deducting that of specific commercial products businesses achieved a year-on-year increase of 27.47%.

During the reporting period, the field of xRNA expanded the application market in China with low-cost and high-quality products, developed international businesses and created an efficient market service system. The field of featured APIs & intermediates gave full play to the advantages

of three technical platforms of synthetic biology, fermentation and enzyme engineering and maximized the production and manufacturing resources, making the Company an international, distinctive and differentiated API enterprise featuring highly active APIs. Focusing on such industrial orientations as bone health, brain health, antioxidation, personal care and aesthetic medicine, high barriers, and import substitution of injectable medicinal materials, the field of massive health & biomaterials created the automatic and standard industrial manufacturing system and stepped out of C-end product markets with the technical support from the HIT Institute of Synthetic Biology. In the field of animal health, the Company focused on three orientations of pet treatment, pet nutrition, and water nutrition and water environment, and endeavored to become a leader in China's pet and aquatic animal health industry driven by R&D, led by markets and guaranteed by production.

xRNA: In January 2023, the Company established Hangzhou Perfect mRNA Biotechnology Co., Ltd. (hereinafter referred to as "Perfect mRNA"), which is mainly engaged in the development of raw materials of mRNA enzyme and molecular diagnostic enzyme, as well as mRNA CDMO services, together with the upstream enzyme raw materials and downstream preparation services. Perfect mRNA comprised industrial collaboration with Anhui Meihua and Wuhu Huaren in the field of xRNA, further optimizing the whole-industrial chain layout of xRNA.

Featured APIs & intermediates: The Company's core subsidiaries Huida Biotech, Hizyme Biotech and Jiangsu Joyang Laboratories vigorously expanded international key customers, established the key customer service system, cultivated multiple new product lines, endeavored to develop ADC drug toxin raw materials and services, senior intermediates and other businesses, and gave full play to the advantages of industrial technologies of industrial microbiology, successfully building a favorable reputation of "high technology, high quality and high efficiency" in this field.

Massive health & biomaterials: The Company's core subsidiary Meiqi Health further strengthened its sales manpower in overseas markets, built the core dealers network, and put in place its channel layout in Asia Pacific, Europe, America, and China. It also set up the application service system to create market opportunities for the differentiation of application services.

Animal health: Being optimistic about the development of animal health industry, the Company acquired Jiangsu NAU Animal Pharmaceutical Co., Ltd. (herein after referred to as "NAU Animal Pharmaceutical") in April 2023, quickly setting foot in pet and aquatic animal health segments. In the field of animal health, the Company has reserved more than 10 varieties of high-end raw materials for pet health care, application and development of a variety of massive health raw materials in the field of animal health, and more than 10 potential opportunities for people-to-animal medicines, with a potential to realize integrated development of raw materials and

preparations in the future. NAU Animal Pharmaceutical will become an important development platform for the Company's animal health businesses in the field of industrial microbiology. The Company's existing industrial ecological chain, R&D resources and financial guarantee will keep empowering and promoting the rapid development of NAU Animal Pharmaceutical in the field of animal health.

At present, the Company's industrial microbiology field has set up an international marketing team with about 50 staff, forming a business structure featuring sales and market management system of the industrial microbiology headquarters + professional sales team of subsidiaries, further establishing an overseas localized marketing team and enhancing the ability to serve overseas customers. In the future, the industrial microbiology field will further increase the proportion of international business, with R&D, quality, service and regulatory registration as its main competitiveness, thus forming a competitive advantage in international businesses.

3. The pharmaceutical business kept a stable growth trend as a whole and continued to develop innovative businesses.

During the reporting period, the Company's pharmaceutical business segment kept consolidating its hospital markets and expanding out-of-hospital markets, and actively advanced its innovative businesses. The Company's pharmaceutical business segment achieved the operating revenue of 13.631 billion yuan, up 11.19% year on year, and the net profit of 216 million yuan, up 9.14% year on year.

Adhering to the development principle of "High Quality + High Efficiency", the Company's pharmaceutical business segment actively endeavored to build itself into an enterprise with leading position in scale, network and services for the high-quality development, with the core placed on "profits increase and costs reduction" for high-efficient development. In terms of traditional businesses, the Company continuously consolidated its presence in Zhejiang Province and endeavored to improve the quality and efficiency for high growth rate. For innovative businesses, the focus was placed on product agency, third-party logistics, pharmaceutical e-commerce, featured massive health and other fields. Focusing on its comprehensive abilities in policy affairs, marketing, distribution and reserve, the Company set up the service platform to provide upstream and downstream customers with personalized solutions, fostered the comprehensive competitive advantages as a regional enterprise, and formed its full-channel promotion ability.

With regard to the traditional businesses, the Company always insisted on the service philosophy of "High Quality + Fast Speed", cared about policies with significant impacts on the industry, made scientific prediction and optimized the layout, witnessing stable increase of the hospital market share and fast growth trend in out-of-hospital markets, and maintaining its leading

position in Zhejiang Province. As for the hospital market, the Company placed its focus on such key indicators as introduction of new products, hospital shares and order satisfaction rate, and converted value-added services like police affairs and pharmacy administration into productivity, occupying a leading position in the industry. In the field of medicinal materials, ginseng and antler, the Company further improved its sales networks throughout Zhejiang Province, assigned more personnel to the grassroots and expanded businesses in sub-markets by leveraging channels of its subsidiaries. Moreover, the Company further expanded its decoction businesses throughout Zhejiang and prepared for the expansion of Phase II of the Decoction Center relying on the advantages in automation. The out-of-hospital markets were further expanded, with more private hospitals, clinics and retail pharmacies covered. In the meantime, the Company continuously improved the profitability of its self-retail businesses, created a new retail mode in East China, expanded its service scope, imported more varieties, and made good preparations for introduction of prescriptions relying on its advantages of “platform + products + network”.

Innovative businesses were further advanced and more efforts were made in innovative products, innovative logistics, innovative services, etc. to facilitate multi-warehouse linkage, integrate internal and external resources, and improve the overall efficiency of innovative businesses. The Company continued to expand its agency businesses, focus on specialized medical devices and enrich varieties of agent products. Moreover, the Company spared no effort to develop the tripartite businesses of the supply chain. To date, the operation level of Jinhua Warehouse has gradually approached that of Hangzhou Warehouse. The distribution tasks in areas not covered by Hangzhou Warehouse will be transferred to Jinhua Warehouse. Hangzhou Warehouse launches the expansion of its cold storage warehouse to fully develop the tripartite logistics of cold chain, further consolidate its trump card of “medicine cold chain” and strive for licenses for more products. Attaching equal importance to both “B2B+B2C”, the Company continued to upgrade the “Huadong Medicine Business Network” and actively operated self-operated flagship stores of major e-commerce platforms for better online sales. The Company launched and promoted the “Xuguanghe” series online, constantly enriching its massive health product matrix.

During the reporting period, the Company’s pharmaceutical business segment actively fulfilled its social responsibilities, quickly responded to special situations, and established a complete set of emergency call plans. With the upstream and downstream pharmaceutical supply chain partners gathered, the segment actively practiced the idea of “seizing time is to save lives” to foster its own brands with social benefits, create economic benefits with brands, and promote the high-quality and high-efficiency development of the Company through innovation.

4. Overseas aesthetic medicine witnessed increased profits and aesthetic medicine in China saw rapid growth.

During the reporting period, the Company's aesthetic medicine segment witnessed rapid growth as a whole and achieved the total operating revenue of 1.224 billion yuan (excluding internal offsetting factors), up 36.40% year on year.

Its wholly-owned subsidiary Sinclair actively overcame the negative impact of the slowing global economic growth and kept expanding the global aesthetic medicine market. During the reporting period, Sinclair achieved the sales revenue of 76.29 million pounds (about 669 million yuan), up 26.07% year on year, and the EBITDA of 12.6 million pounds, attaining the operating profit. In the second half of 2023, it is expected that Sinclair will maintain its growth trend as a whole and may see better performance as the global market is further expanded.

As the aesthetic medicine market in China rebounded during the reporting period, Sinclair (Shanghai), the Company's wholly-owned subsidiary in China, kept expanding and maintained its leading position in the regenerative aesthetic medicine market in compliance with relevant requirements according to the concept of "medicine first" with experience as the core. In the first half of 2023, Sinclair (Shanghai) achieved the cumulative operating revenue of 516 million yuan, up 90.66% year on year and marking the continuous improvement of its profitability. The Company's aesthetic medicine business in China will maintain the favorable growth trend in the second half as the consumption market in China keeps rebounding.

During the reporting period, the Company actively practiced the long-term vision of cultivating and building the world's leading innovative aesthetic medicine enterprise, continued to steadily promote the strategy of dual-circulation development in and out of China, focused on the global high-end aesthetic medicine market, strengthened its brand building, and accelerated the integration of internal resources. To date, the Company has launched 36 high-end products in the field of "non-invasive + micro-invasive" aesthetic medicine worldwide, of which 24 have been marketed. The product portfolio covers non-surgical mainstream aesthetic medicine fields such as facial and whole-body filling, energy source skin management, and body shaping. In the meantime, the Company has formed integrated product clusters and ranks in forefront of the industry in terms of quantity of products and number of fields covered, with continuously improved international influence. With a professional marketing and promotion team comprised of about 300 talents, the Company's aesthetic medicine segment has built its global aesthetic medicine marketing network with over 80 countries and regions covered.

During the reporting period, the Company actively advanced the global registration of its aesthetic medicine products and simultaneously facilitated the registration and launching of

overseas products in China. Actively facilitating the registration for marketing in over 40 countries, Sinclair has had obtained marketing authorizations for 11 products in 19 countries during the reporting period. The Company also introduced and arranged multiple international innovative aesthetic medicine products for different body parts. KiOmed Skinbooster, a global innovative chitosan aesthetic medicine introduced by Sinclair from a Belgian company KiOmed Pharma SA (hereinafter referred to as “KiOmed”) is now under clinical trial and its overseas registration application is expected to be submitted in Q4 2023. Moreover, KiOmed is now developing multiple types of global innovative products for facial (KiOmed Moderate lines, KiOmed Volumizer) and lip (KiOmed Lips) filling. Sinclair actively promoted the registration and marketing of its core products in global key markets, and has now started relevant clinical work necessary for marketing Ellans[®] and MaiLi in the U.S.

During the reporting period, the Company kept advancing the registration and launching of its core products in China. The Company’s V version and X version of poly-L-lactic acid (PLLA) collagen stimulant Lanluma[®] obtained the approval from Hainan Medical Products Administration that Lanluma[®] can be used in Bo’ao Lecheng International Medical Tourism Pilot Zone as an urgent imported medical device for clinical purpose. In February 2023, China’s first case of treatment with Lanluma[®] was completed in ARSMO. In April 2023, Lanluma[®], a PLLA product of Sinclair, was awarded “The Best Injectable Body Filler” by the 2023 AMWC, which vividly showcases the authoritative recognition of Lanluma[®] products and technologies by the international aesthetic medicine industry, as well as the great affirmation of Sinclair’s achievements in the high-end aesthetic medicine field. In addition, the Company is advancing the application for franchise rights of Silhouette and Ellans[®] series products in Bo’ao Lecheng International Medical Tourism Pilot Zone. Please see “(8) Progress of registration and marketing of aesthetic medicine products” in “(III) R&D situation” below in this section for the progress of registration of the Company’s other key aesthetic medicine products in China.

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产品采用独家的STAT 专利技术,具备良好的生物相容性,能提供即刻塑形的效果,拥有持久的胶原新生机制。全球临床使用年限超过10年,临床安全性及有效性得到广泛认可



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全球唯一一款被批准
可用于臀部和大腿填充的再生型产品

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采用创新的OxiFree™专利技术
获得更持久、自然的效果

- 公司旗下高端透明质酸产品,全系列共有四款产品,拥有优异的流变性能和良好的填充性能,可有效减少产品注射量,最大程度的提高临床疗效,其“智能弹簧(Smart Spring)”属性可让面部表情看起来更自然
- MaiLi系列产品已于2020年6月获得欧盟CE认证,自海外上市以来持续受到市场认可
- MaiLi Extreme已于2023年8月完成中国临床试验全部受试者主要疗效指标的收集



KiOmedine®皮肤动能素 以及3款填充剂

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- KiOmedine®皮肤动能素是利用独有专利技术研发的高纯度天然(非动物源)医用级壳聚糖衍生物,其核心成分可以保护皮肤免受氧化应激反应,有效补充皮肤水分,改善肤质,预计2023年Q4在海外递交注册
- 3款KiOmedine®填充剂为基于KiOmedine®和透明质酸的注射填充剂,可应用于唇部填充塑形、改善或纠正面部皱纹和皮肤凹陷、面部填充塑形等

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- 由现代激光医学之父,美国麻省总医院(哈佛医学院附属教学医院)威尔曼光电医学中心主任Rox Anderson, M.D.为核心的技术团队研发,通过半导体精准控温,达到对黑色素表达的有效管理
- 该产品于2022年1季度在国内成功完成了全球首发,目前已与国内超过40家医美机构开展商业化合作



V系列(V10、V20、V30)

欧美医学激光、光子和能源设备市场领导者

- 集合了公司所有高端应用技术(CORE、SVC、PCR、Multi-CORE),为集射频(RF)、强脉冲光(IPL)、激光(Laser)能量源为一体的医美多功能操作平台
- 目前V10、V20、V30均已获得美国FDA、欧盟CE注册认证;V20国内注册检验及技术资料的准备已完成,预计2023年Q3完成注册受理递交



Cooltech Define

非侵入性的冷冻溶脂设备

- 采用360°冷却技术,确保对整个脂肪颗粒有控制和均匀的冷却,从而在每次操作中可以去更多的脂肪,是一种更有效、安全和个性化的治疗技术
- 海外已上市,已获得欧盟CE认证、澳洲TGA认证



Primelase

高功率半导体激光永久脱毛

- 最大功率为4800W,脱毛效果更好;具有4波长,针对不同肤色和不同粗细毛发选择不同波段;光斑尺寸大且组合多,提高脱毛速度,适应不同部位
- 已在欧洲、美国、加拿大等11个国家和地区上市销售



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集五种先进技术为一体的 多功能、智能化、高科技皮肤管理平台

- 搭载IoT(物联网)技术,集螺旋真空、微晶磨皮、微电流、射频、超声五种先进技术为一体,可用于面部清洁、去角质、补水,为求美者打造平滑紧致的皮肤状态
- 该产品已于2022年9月陆续在欧美等全球主要医美市场实现商业化销售



Reaction®芮艾琨®

新一代双极射频抗衰老设备

- 采用CORE™多通道射频技术,结合Vacuum真空负压技术,定制化射频频率,适用于皮肤多种层次治疗,分层精雕、根源抗衰,同时分区搭配面部精细化治疗头,精准改善眼周细纹、法令纹及口周纹路,紧致下颌轮廓线条
- 已获得美国FDA注册认证,在海外上市多年,并于2015年获得国家药品监督管理局(NMPA)第三类医疗器械注册证书,已于2023年6月完成在国内的重新上市



Sculpt&Shape®

创新的旋转射频(RotateRF)技术

- 配有6个不同的旋转探头,同时集合单极和双极射频,用于全身塑形、紧肤、减脂和减少皱纹等面部年轻化治疗
- 该产品已于2023年一季度在欧洲市场推出

Figure: Key Aesthetic Medicine Products of Huadong Medicine

During the reporting period, Sinclair attended the IMCAS Conference in Paris, the world's leading conference on dermatology and plastic surgery, attracting extensive attention for its product lines and new products launched. The on-site presentation of MaiLi products, the high-end HC series of Sinclair, attracted over 2,000 physicians in the main venue. Sinclair also devoted itself to offering high-quality training and education, kept enhancing its brand building, and continuously improved the industry influence and competitiveness through practical training and sharing of insights on industry leaders with Sinclair College, its education and training platform, as the carrier. In March 2023, Sinclair held a half-year "Focus on Excellence World Tour" through its affiliated Sinclair College. The "Focus on Excellence World Tour" will bring the best practice lectures, live demonstrations, insights of experts from global aesthetic medicine industry, and interactive Q&A exchanges for audiences eight international cities including Milan, Barcelona, São Paulo and Dubai, as well as Chinese cities like Beijing, Shanghai, Hangzhou, Shenzhen and Chengdu. Sinclair (Shanghai), the Company's wholly-owned subsidiary and its aesthetic medicine business operating center in Chinese market, kept developing the high-end markets for aesthetic medicine injections. By the end of June 2023, Sinclair (Shanghai) has signed cooperation contracts with over 600 hospitals and trained over 1,100 certified physicians. Sinclair (Shanghai) also gives full play to the advantages of global experts' medical resources through its official learning platform "Sinclair Education Vision" and keeps providing more rich, high-quality and innovative medical courses for Chinese physicians, thus making sure to provide patients with professional and efficient services.

In the future, the Company's aesthetic medicine segment will continue to focus on the high-end market of global aesthetic medicine to form an international aesthetic medicine business integrating R&D, manufacturing and marketing by upholding the strategy of "global operation layout and dual-circulation operation & development". With its core subsidiary Sinclair as the global operation platform and integrating global technological and innovative resources, the Company has achieved the global operation layout for its aesthetic medicine segment and successively introduces "aesthetic medicine + biomedicine" products with great scientific connotation and huge market potential into China. Internationally, the Company empowers the rapid launching and commercialization of its superior international products relying on its great registration and marketing abilities in China and steadily expands its presence in China, thus fostering a new pattern features dual-circulation coordinated development and mutual promotion of domestic and international businesses.

4. BD cooperation

In January 2023, the Company's wholly-owned subsidiary Huadong Medicine (Hangzhou) Co., Ltd., signed an exclusive commercialization cooperation agreement with Kaixing Life Science and

Technology (Shanghai) Co., Ltd., a wholly-owned subsidiary of CARsgen Therapeutics Holdings Limited. Under the agreement, Huadong Medicine (Hangzhou) obtained the exclusive commercialization rights of Zevorcabtagene Autoleucel Injection (R&D code: CT053), a candidate product of fully human anti-autologous BCMA (B cell mature antigen) CAR-T used by Kaixing for the treatment of relapsed/refractory multiple myeloma. With great potential, Zevorcabtagene Autoleucel Injection will further enrich the Company's product lines in the field of blood diseases, and will also share the expert network, research and clinical resources with existing key varieties of the Company in the field in terms of marketing, thus achieving mutual complementary, mutual development and effective collaboration. The Company will form multi-dimensional product lines of chemotherapy medicines, ADC products and CAR-T products in the field of neoplastic hematologic treatment after this transaction. Please refer to the *Announcement on Signing an Exclusive Commercialization Cooperation Agreement for Products by a Wholly-owned Subsidiary* (Announcement No.: 2023-004) disclosed by the Company on Cninfo (<http://www.Cninfo.com.cn>) for details.

In March 2023, the Company intended to sign the Partnership Agreement of Hangzhou Capital Biomedical Achievements Transformation Fund (hereinafter referred to as the "Partnership Agreement") with Hangzhou Jianheng Enterprise Management Co., Ltd., Hangzhou Industrial Investment Co., Ltd., Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership), Betta Pharmaceuticals Co., Ltd. and Hangzhou West Lake Industrial Fund Co., Ltd. to jointly invest in the establishment of Guoshun Jianheng Venture Capital Partnership (Limited Partnership) with a total subscribed capital of 210 million yuan, in a bid to further enrich the Company's industrial investment ecosystem relying on the industrial management experience of business managers and resource advantages of other contributors by organically integrating government's guidance fund and excellent pharmaceutical capitals. By contributing 40 million yuan (or a contribution ratio of 19.05%), the Company will be the limited partner (LP) of the Partnership. Please refer to the *Announcement on Joint Investment with Professional Investment Institutions* (Announcement No.: 2023-008) disclosed by the Company on Cninfo (<http://www.Cninfo.com.cn>) for details.

In April 2023, the Company's wholly-owned subsidiary Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. signed the *Agreement on Equity Transfer and Capital Increase of Jiangsu NAU Animal Pharmaceutical Co., Ltd.* (hereinafter referred to as "NAU Animal Pharmaceutical"), with NAU Animal Pharmaceutical, natural person Zhai Zhongshu and Nanjing Jiuheng Pharmaceutical LP (Limited Partnership). Zhongmei Huadong will invest no more than 265,333,300 yuan in total and acquire 70% of the equity in NAU Animal Pharmaceutical in the form of equity transfer and capital increase, becoming a controlling shareholder of the latter. This

acquisition of NAU Animal Pharmaceutical further improved the industrial layout of the Company in industrial microbiology. NAU Animal Pharmaceutical is at a stage of rapid growth. The average annual growth rate of sales revenue in the past three years has exceeded 50% and the preliminary construction has laid a solid foundation for its rapid development. After this transaction, NAU Animal Pharmaceutical will become an important platform for Huadong Medicine to develop its animal health business in industrial microbiology sector, while making full use of Huadong Medicine's advantages in industrial ecological chain and financial support capabilities to achieve coordinated development in R&D, manufacturing, marketing, selling and other dimensions. Please refer to the *Announcement on Acquisition of 70% Equity of Jiangsu NAU Animal Pharmaceutical Co., Ltd. via Equity Transfer and Capital Increase* (Announcement No.: 2023-024) disclosed by the Company on Cninfo (<http://www.Cninfo.com.cn>) for details.

In August 2023, the Company's wholly-owned subsidiary Zhongmei Huadong signed the Exclusive Product License Agreement with the American listed company Arcutis Biotherapeutics, Inc. (hereinafter referred to as "Arcutis"). According to the agreement, Zhongmei Huadong obtained the exclusive license of the globally innovative Roflumilast external preparations (including Roflumilast Cream ZORYVE® and Roflumilast Foam ARQ-154) of Arcutis in Greater China (including Chinese mainland, Hong Kong, Macau and Taiwan Province) and Southeast Asia (Indonesia, Singapore, Philippines, Thailand, Myanmar, Brunei, Cambodia, Laos, Malaysia and Vietnam), including rights for development, registration, production and commercialization. Zhongmei Huadong will pay Arcutis a down payment of 30 million US dollars, a milestone payment of development, registration and sales with a maximum of 64.25 million US dollars, and a graded double-digit net sales commission. The introduction of ZORYVE® cream and ARQ-154 will further supplement the Company's product lines in the field of autoimmune and inflammatory skin diseases, and consolidate the its core competitiveness in the field of autoimmunity. Please refer to the *Announcement on Signing an Exclusive Licensing Agreement for Products by a Wholly-owned Subsidiary* (Announcement No.: 2023-061) disclosed by the Company on Cninfo (<http://www.Cninfo.com.cn>) for details.

5. ESG of the Company during the reporting period

With regard to ESG, the Company has always adhered to the concept of sustainable development. Setting up a special ESG Committee to coordinate the Company's ESG work, the Company integrates the core theory of ESG with the enterprise development strategy and daily operation management, guides and makes innovation in various work with a scientific concept of social responsibility, upholds the idea of green production, actively responds to the "carbon neutrality and carbon peaking" goals, operates with integrity in strict accordance with laws, and

actively fulfills its social responsibilities. By virtue of its excellent ESG governance ability, the Company won the AA rating for ESG by CNI Index of Shenzhen Stock Exchange and the A rating for ESG of WIND, and was awarded the 16th Top 100 Chinese Listed Companies in ESG by Securities Times, Panorama Network Excellent Social Responsibility Award, etc.

6. Awards during the reporting period

During the reporting period, as the Company's comprehensive competitive strength, efficient operation and governance, and value creation ability were recognized by the market, it won a number of awards and honors: The Company was included in *Fortune* China 500 for the 14th time and ranked 358th. It was selected in the list of "2022 Top 100 Pharmaceutical Industries in China" of MENET, reelected top 10 among "2022 Top 100 Pharmaceutical Enterprises in China", and included in "2023 Top 100 Chinese Enterprises in Overall Strength of Pharmaceutical Research and Development", "2023 Top 100 Chinese Enterprises in Chemical Drugs Research and Development" and "2023 Top 50 Chinese Enterprises in Biomedicine Research and Development" by YaoZH. In terms of investor relations management, the Company won numerous awards, including the Gold Award for Panoramic Investor Relations - "Outstanding IR Company", "Outstanding IR Team", "Best Corporate Communication Award", "Best New Media Operation Award", and the 14th Tianma Awards for Investor Relations of Chinese Listed Companies - "New Media Award", etc.

(III) R&D situation

(1) Overall R&D situation

During the reporting period, being "Scientific Research-based and Patient-centered", the Company further devoted itself to the field of cancer and chronic disease treatment, continuously increased the R&D input, kept enriching the layout of innovative medicine R&D, enhanced the construction of innovative R&D ecology and technological platform, and actively advanced the progress of clinical trials, with multiple major staged achievements made. As of the date of the Report, the Company has a total of 82 pharmaceutical projects under development, including 51 innovative and biosimilar medicine projects. During the reporting period, the Company input 1.057 billion yuan in R&D in the pharmaceutical industry segment. Among them, 668 million yuan were used as direct R&D expenditures, up 15.91% year on year. R&D tasks mainly include the following:

1) The Company continued to practice the new medicine R&D mode combining independent R&D + cooperative entrusted development + product License-in, track the latest international mechanism of medicine action and target, as well as the progress of clinical application research,

speed up the layout of innovative medicines and introduction of innovative medicine projects at home and abroad, clarify innovative, differentiated and iterative standards for initiation of projects, and strengthen the capabilities of independent innovation and R&D;

2) With “clinical value, pharmaco-economic value and commercial value” as the starting point, the Company laid out multiple categories of innovative products in fields of endocrinology, autoimmunity and oncology;

3) Focusing on clinical superior varieties and specialized medicines, the Company accelerated the R&D layout of high-tech barrier generic medicines and modified new medicines;

4) The Company established and fostered the industrial chain advantages of “APIs + preparations” for generic medicines, developed technical improvement and innovation of external preparations, and strengthened its market competitiveness;

5) The Company strengthened the comprehensive dynamic evaluation of varieties under development, strengthened the management of imported projects, especially clinical projects, accelerated the speed and quality of development of clinical projects, especially those under phase III clinical trials, and sped up the launching of innovative medicines;

6) The Company built its ADC global R&D ecology for win-win cooperation by fostering the Polypeptide differentiation innovative technology platform, immune disease antibody technology platform, microbiology fermentation cytotoxin technology platform, and innovative linker and coupling technology platform.

(2) Innovative R&D strategy

As for innovative medicines, the Company insisted on its differentiated R&D strategy with the focus placed on unsatisfied clinical needs of global patients, and gave priority to the layout of three key fields of fields of endocrinology, autoimmunity and oncology to become a leader in these fields. To date, the Company has formed 46 innovative product lines, with half of these products researched and developed independently. As its product lines are continuously enriched, the Company has constantly expanded its innovative medicine field to the R&D of multiple types of medicines including micromolecule medicines, polypeptides, ADCs, bispecific or multi-specific antibody medicines, as well as the exploration towards innovative therapies for diseases in the fields of endocrinology, autoimmunity and oncology.

(3) Progress of R&D of innovative medicines, innovative medical apparatuses and biosimilar medicines

Oncology

The Company endeavored to build the world's leading platform for R&D of innovative cancer medicines and established more than 30 innovative antineoplastic medicines covering targeted micromolecule medicines, ADCs, antibodies, PROTAC, etc. through discovery, screening and verification of new targets in preliminary R&D of medicines.

The world's first-in-class ADC drug, ELAHERE[®], mirvetuximab soravtansine-gynx (R&D code: IMGN853, HDM2002), introduced by the Company from ImmunoGen in the U.S. has achieved the preset main end point for phase III single-arm clinical trial in China, with its pre-BLA submitted in March 2023. It is planned to submit the BLA in China in Q3 2023. It was included in the priority review by CDE in July 2023. In the meantime, ELAHERE[®] was approved to be introduced in Hainan thanks to the "Pioneering in Pilot Zone" licensed medical apparatuses policies in Hainan Bo'ao Lecheng International Medical Tourism Pilot Zone, which is expected to help Chinese PROC patients with platinum-resistant ovarian epithelial cancer, fallopian tube cancer or primary peritoneal cancer who are folate receptor α (FR α) positive in time. In the future, the Company plans to participate in the international multi-center PSOC clinical research to advance its application in front-line treatment of ovarian cancer and support to use ELAHERE[™] as the preferred medicine combination for treatment of ovarian cancer.

Mefatinib Tablet, the Company's first-class new medicine, was included as the variety for breakthrough treatment in May, which is used for treating advanced non-small cell lung cancer with rare EGFR mutations. Another ongoing phase III clinical trial for advanced non-squamous non-small cell lung cancer with EGFR-sensitive mutations has completed the phase III study of PFS events in July 2023. It is planned to submit an application for launching within 2023.

HDM2005, an ADC product independently developed by the Company, has completed PCC confirmation in Q1 2023 and IND development is now in progress. It is planned to apply for clinical trial in within 2024.

In the second half of 2023, two types of independent innovative products for tumors will receive PCC confirmation and enter the IND development.

Endocrinology

The Company has created the world leading innovative medicine R&D development platform for diabetes with GLP-1 target as the core. To date, the Company has established eight products of GLP-1 and related targets that cover oral medicines, injections and other dosage forms, including long-acting and multi-target global innovative and biosimilar medicines. The Company will keep exploring innovative projects related to GLP-1 targets, expanding its coverage to such indications as weight loss, lipid reduction and NASH, and constantly develop innovative medicines with higher bioavailability and more clinical advantages.

HDM1002 (micromolecule GLP-1 receptor stimulant), an innovative medicine for diabetic mellitus that is developed by the Company independently, has obtained approvals in the U.S. and China, with the administration of the first subject in the first in human (FIH) achieved in the beginning of June 2023. The IND application for obesity in China was submitted in June 2023. To date, there is no oral micromolecule GLP-1 receptor stimulant in the world. HDM1002 will further enrich the Company's product lines in the field of endocrine therapy, accelerate the Company's integration into the global innovative pharmaceutical industry, and further enhance its comprehensive competitiveness.

HDM1005, a GLP-1R and GIPR long-acting polypeptide dual-target agonist independently developed by the Company, has entered the research stage of IND. To date, the project is smoothly advanced and it is expected to submit the IND application in early 2024.

DR10624, a GLP-1R/GCGR/FGF21R target multiple agonist developed by the Company's holding subsidiary Doer Biologics, completed its first subject administration in phase I Multiple Ascending Dose (MAD) clinical trial for the treatment of obesity in New Zealand in July 2023. DR10624's IND application for weight management of overweight or obese people in China was approved in July 2023, IND application for diabetes indication in China was submitted in June 2023, and IND application for hypertriglyceridemia indication in China was submitted in August 2023.

Liraglutide Injection has had its marketing authorization application for diabetes indications approved by NMPA in March 2023, and its marketing authorization application for obese or overweight applications was approved in July 2023.

Semaglutide Injection has now completed the phase I clinical trial and reached the

equivalence study end point, with its phase III clinical study launched.

Insulin Degludec Injection has now completed the phase I clinical trial and reached the equivalence study end point, with its phase III clinical study launched.

Autoimmunity

The Company has had over 10 varieties of biomedicines and micromolecule innovative products in the field of autoimmunity.

The marketing authorization application of HDM3001 (QX001S), a biological similar of Ustekinumab (Stelara®) for plaque psoriasis has been accepted by NMPA in August 2023.

The IND application of HDM3002 (PRV-3279), an innovative medicine used for the treatment of systemic lupus erythematosus (SLE), has been approved by CDE in April 2023 and has been formally included in IIa phase MRCT (PREVAIL-2).

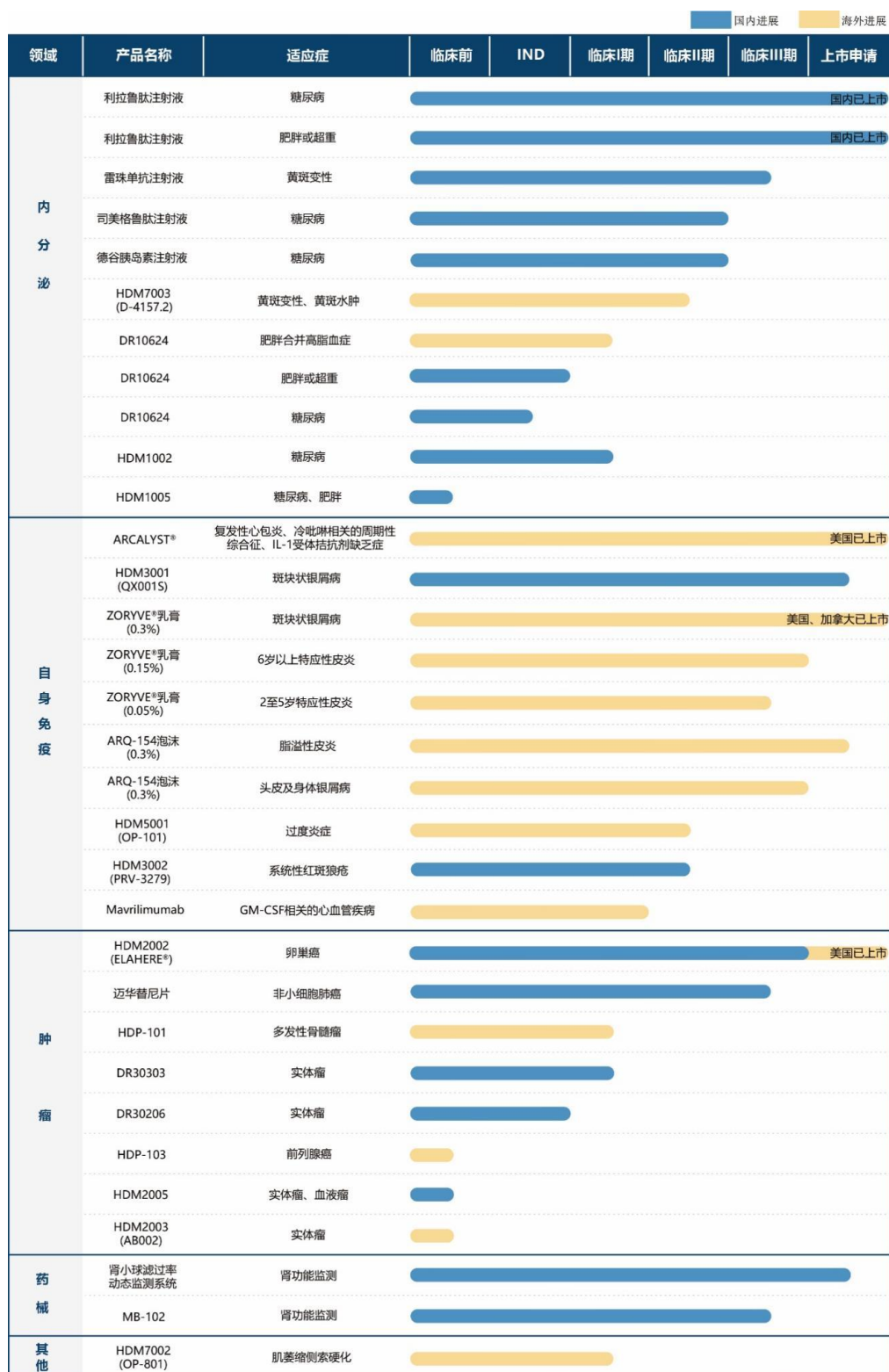
Being listed as *Overseas New Medicine in Urgent Need for Clinical Purpose (First Batch)* by CDE, ARCALYST®, a global innovative product introduced from Kiniksa in the U.S., is used for the treatment of Cryo-Pyrin-Associated Periodic Syndromes (CAPS). It is expected that its BLA for this application will be formally submitted in China in 2023. Moreover, the Company has submitted the Pre-BLA for recurrent pericarditis in China at the end of June 2023.

The Company developed multiple new target and biological mechanism immune disease early projects, which are all smoothly advanced. In the second half of 2023, a type of independent innovative product for autoimmunity will receive PCC confirmation and enter the IND development.

Innovative pharmaceutical apparatuses

HD-NP-102 (Dynamic Monitoring System of Glomerular Filtration Rate and MB-102 Injection): The Dynamic Monitoring System of Glomerular Filtration Rate and MB-102 Injection jointly developed by the Company and MediBeacon, Inc of the U.S. can continuously measure the glomerular filtration rate (GFR) of patients with normal or impaired renal functions by non-invasive monitoring of the fluorescence emitted by MB-102 through intravenous injection. In July 2022, NMPA formally accepted the pharmaceutical apparatus registration application for the system and is now reviewing the application. The MB-102 injection (Relmapirazin) used in conjunction with this system is a global innovative medicine that completed the enrollment of all subjects for international multi-center phase III clinical trial in February 2023. The pre-NDA has

submitted in China in April 2023. The PMA has been submitted in the U.S. in June 2023, which has been accepted by FDA in July 2023.



Pipeline Diagram of Main Innovative Medicines and Biosimilars as of the Date of the Report.

(4) Others tasks regarding Innovation R&D

Rapidly expanding scientific research team

The company has set up a full-chain efficient and hardworking core R&D team with international visions composed of 1,500 high-level developers of various levels, and has established a relatively sound R&D management system that covers the whole process of medicinal development from target research, early medicinal discovery, pre-clinical research, clinical trials to new medicine registration and marketing.

The early R&D team carried out a lot of pre-researches on novel and cutting-edge targets, systematically studied from such aspects as target mechanism, phenotypic analysis and indication selection, and supported the selection of early development strategies with high-quality internal data, in a bid to advance the Company's two major strategies of innovation and internationalization and keep pace with industrial development trend of advancement of targets. Since 2023, the Company has implemented the early exploratory project mechanism, sought gradual development and accelerated its innovation by piloting the cutting-edge targets and building platforms for popular fields, and placed its focus on three key fields of endocrinology, autoimmunity and oncology. The Company has launched 9 early exploratory projects in the first half of 2023, expecting to develop the first-in-class or best innovative medicines of the same type.

The Company's clinical R&D team has continued to explore the speed and coverage of innovation and break through the differentiated bottleneck in innovation in accordance with the orientation of high efficiency and high quality, endeavoring to achieve the leap-forward development of diversified innovation in clinical R&D. The R&D team has charged and supported clinical projects from such dimensions as clinical study, operation, registration and pharmaco-vigilance. In 2023, the Company is expected to submit the formal marketing authorization applications for at least 3 innovation projects.

Advanced technical platforms

The Company has built such medicinal R&D platforms as new target screening and verification platform, ADC R&D platform, CADD/AIDD platform and PROTAC technology platform, aiming at accelerating the promotion of numerous pipe lines with original innovation (first-in-class, best-in-class) or differentiated/iterative development values. Over the past 3 years,

the Company has obtained 6 PCC modular cumulatively and had 9 clinical applications approved with the support from these platforms.

Among them, AI drug discovery & design (CADD/AIDD) platform is a key orientation currently valued by the Company, which strengthens the construction of computing power and algorithm system and intelligently process the data generated and accumulated in combination with the research progress of the industry. In the meantime, rich data on the properties of finished medicines accumulated by the Company lays the foundation for continuous optimization and iterative prediction model of the properties of finished medicines and greatly improves the R&D progress of several projects at different stages. At present, the platform is also expanding its application in the R&D of polypeptide, ADC, protein and nucleic acid medicines. To date, the platform has submitted about 30 patent applications and got about 2,000 compounds.

Other innovation results as of the reporting period

1) Patent applications

The Company's Innovative Medicine Global R&D Center attached great importance to the protection of intellectual property rights, valued the management of intellectual property rights in the whole life cycle of medicines and the formulation of patent strategies, and set up an intellectual property BP for the early warning, declaration and retention of patents in and out of China, thus improving the comprehensive competitiveness of its products. To date, the Center has claimed a total of over 80 patent applications, including 21 formal and PCT patent applications since its establishment. All these patents cover such aspects as structures, preparation processes, applications and formulations of new medicines.

2) Academic publications

Since 2022, the innovative medicine team has published 9 innovative research results on journals/conferences. In 2023, the innovative medicine team published 5 papers in the fields of oncology and endocrinology at conferences or on journals, including KRAS^{G12D}-PROTAC research selected in the summary of 2023 WCLC (with an oral report made), oral GLP-1 micromolecule agonist HMD1002 selected in the summary of 2023 EASD (with an oral report made), targeted HPK1 micromolecule inhibitor research selected in the summary of 2023 CSCO, PROTAC research results targeting BTK published on RSC Medicinal Chemistry Journal, and

clinical study results of Mefatinib at the first-line treatment for NSCLC published on Cancer Communications.

3) Governmental subsidies

To date, the Company's Innovative Medicine Global R&D Center has obtained approvals from the government for 12 projects (applications for 3 new projects submitted in 2023 and are under review), with the certified subsidies of 27.25 million yuan. The Company won the honor of "Pioneering Innovation Team" of Zhejiang Province in 2021 and obtained the fund under Zhejiang Province's Pioneer Scientific and Technology Program for two consecutive years in 2021 and 2022. Meanwhile, HDM1002 and some other programs were all awarded prizes for scientific and technological projects at the provincial and/or municipal level. Mefatinib won the fund from the "Special Program for High-quality Development of Bio-pharmaceutical Industry in Hangzhou". The Company's Innovative Medicine Global R&D Center has kept advancing the high efficiency and high quality work style of various team revolving around its scientific innovation and internationalization strategy to attract more high-end talents, successfully importing multiple "Hangzhou 115" overseas talents and experts.

(5) Progress of development of major generic medicines

The Company further clarified the focused and prioritized varieties of existing generic medicines under development by regularly organizing dynamic evaluation and analysis. As of the date of the Report, key varieties are as follows:

S/N	Field	Item	Specification	Latest Progress
1	Endocrinology	Canagliflozin Tablets	0.1g, 0.3g	Approved to be launched by NMPA in January 2023
2	Endocrine	Pioglitazone Hydrochloride and Metformin Hydrochloride Tablets	15/850mg	Application for launching accepted in June 2022 and supplementary materials submitted in March 2023.
3	Immunity	Tacrolimus Ointment	0.03%, 0.1%	Application for launching accepted in April 2022 and supplementary materials submitted in April 2023.
4	Immunity	Tacrolimus Granules	1mg	Application for launching submitted and accepted in January 2023.
5	Immunity	Tacrolimus Sustained-release Capsules	5mg, 1mg, 0.5mg	Application for launching of 5mg version submitted and accepted; Applications for launching of 1mg and 0.5mg versions submitted and accepted in February 2023.
6	Oncology	Olaparib Tablets	100mg, 150mg	Application for launching submitted and accepted in October 2022.

7	Oncology	Ibrutinib Capsules	140mg	Process certification completed and BE test in progress.
8	Angiocarpy	Macitentan Tablets	10mg	Supplementary materials have been submitted.
9	Anti-infection	Fusidic Acid Cream	15g: 0.3g	Application for launching accepted in May 2023.
10	Easing pain	Lornoxicam for Injection	8mg	Application for launching submitted in August 2023.

(6) Progress of international registration

The Company has actively conducted its international registration tasks. As of the date of the Report, main progress is as follows:

S/N	Field	Item	Remarks	Latest Progress
1	Endocrinology	Acarbose	APIs	Officially approved by India in June 2023. Supplementary materials for registration in Taiwan, China submitted in April and June 2023.
2	Immunity	Tacrolimus Capsules	0.5mg, 1mg, 5mg	Approved by FDA in the U.S. in April 2023.
3	Oncology	Exatecan Mesylate	Intermediate	DMF application submitted in the U.S. in March 2023.
4	Anti-infection	Mupirocin	APIs	Approved to be registered in India February 2023.
5	Anti-infection	Caspofungin Acetate for Injection	50mg, 70mg	Supplementary materials for ANDA application (the U.S.) submitted in May 2022.
6	Anti-infection	Polymyxin B Sulfate	APIs	CEP application for Jiangdong Premise approved by EDQM in May 2023. Approved to be registered in India February 2023.
7	Anticoagulant	Fondaparinux Sodium	APIs	Registration in Taiwan, China approved. DMF defect reply submitted in the U.S. in April 2023.
8	Anticoagulant	Fondaparinux Sodium Injection	2.5 mg/0.5 mL, 5 mg/0.4 mL, 7.5 mg/0.6 mL, 10 mg/0.8 mL	Supplementary materials for ANDA application (the U.S.) submitted in August, October and December 2022, and February and May 2023.
9	Traditional Chinese Medicine	Bailing Capsule	0.5g	Registration of premise in Canada approved in May 2023.

(7) Progress of consistency evaluation

As of the date of the Report, the progress of consistency evaluation on quality and efficacy of Company's generic medicines is as follows:

S/N	Field	Item	Specification	Latest Progress
1	Immunity	Tacrolimus Capsules	1mg, 0.5mg	The notification of approval for supplementary application of consistency evaluation for 1mg specification obtained in July 2023. Application for consistency

				evaluation of 0.5mg version submitted and accepted in February 2023.
2	Gastroenterology	Pantoprazole Sodium Enteric Capsules	40mg	The notification of approval for supplementary application of consistency evaluation obtained in May 2023.
3	Angiocarpy	Indobufen Tablets	0.2g	Application for consistency evaluation submitted and accepted in March 2023.
4	Angiocarpy	Adenosine Injection	20ml:60mg, 30ml:90mg	Application for consistency evaluation submitted and accepted in October 2022, and supplementary materials submitted in April 2023.

(8) Progress of registration and launching of aesthetic medicine products in China

S/N	Type	Product Designation	Purpose	Latest Progress
1	Injections	MaiLi Extreme Hyaluronic acid	Facial filling	Collection of curative effect indexes of all subjects for clinical trial in China completed in August 2023.
2	Injections	MaiLi Precise Hyaluronic acid	Facial filling	Testing for registration in China completed and pre-clinical work under preparation.
3	Injections	Ellans éM	Facial filling	Enrollment of all subjects for clinical trial in China completed in March 2023 and follow-up in progress.
4	Injections	Perfectha® Diphasic hyaluronic acid	Facial filling	Preparing for registration in China.
5	Injections	Lanluma V Poly-L-lactic Acid	Facial filling	Preparing for registration in China.
6	Energy source equipment	Glacial Rx (F1)	Removing benign pigmented lesions of skin, etc.	Testing for registration in China and preparation of technical data in progress.
7	Energy source equipment	V series products (V20, V30)	Skin compactness, body and facial shaping, skin rejuvenation, depilation, etc.	Testing for registration in China and preparation of technical data for V20 completed, and registration application expected to be submitted in Q3 2023. Registration of V30 in China in progress.
8	Energy source equipment	Pr éme DermaFacial	Facial skin management	Commercial marketing achieved in European, American and other key aesthetic medicine markets successively in September 2022. Device attribute identification in progress in China; matching cosmetics approved for registration in December 2022.
9	Energy source equipment	Reaction®	Body and facial shaping, skin compactness	Re-launching in China completed in June 2023.

(9) Progress of patents

In recent years, the Company attached great importance to the protection of intellectual property and the commercialization and application of achievements, and the number of patent

applications and authorization were steadily increased. Over the years, the Company applied for 1,204 patents at home and abroad, including 426 authorized invention patents. Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., the Company's wholly-controlled subsidiary, is a national intellectual property demonstration enterprise. In November 2014, it passed the external audit of Zhongzhi (Beijing) Certification Co., Ltd., becoming one of the first 147 companies that passed the standards implementation certification and successfully passed the supervision and re-examination of the enterprise intellectual property management system in October 2022.

During the reporting period, application and renewal of patents of the Company were progressed smoothly, with a total of 68 patent applications submitted, including 38 patents for invention. A total of 52 patents were granted.

Patent type	Increase during the reporting period		Total quantity	
	Number of patents applied for (unit)	Number of patents received (unit)	Number of patents applied for (unit)	Number of patents received (unit)
Invention patent	38	22	969	426
Utility patent	30	25	201	175
Appearance design patent	0	5	34	30
Total	68	52	1204	631

Note: Data in the above table represent the statistical patent information of main subsidiaries engaging in the pharmaceutical industry, industrial microbiology and aesthetic medicine within the Company's consolidated statements.

II. Core competitiveness

1. Open innovative medicine R&D system and continuously improved innovation ability

The Company has always attached great importance to innovative R&D and maintained great input in R&D. Being "Scientific Research-based and Patient-centered", the Company has fostered a sound independent innovation system for R&D of medicines that covers the whole process from medicine discovery, pharmaceutical research, pre-clinical study and clinical study to industrial production, and set up its Global New Medicine R&D Center after years of vigorous development, with "clinical value, pharmaco-economic value and commercial value" as the starting point.

Focusing on three core therapeutic fields of oncology, endocrinology and autoimmunity, the Company has established in-depth strategic cooperation with leading pharmaceutical enterprises in and out of China through collaborative product development, equity investment or by other means, successfully building its global R&D ecosystem via introduction, fusion and innovation. In recent years, the Company kept expanding its differentiated in-depth layout in the field of ADC,

successively invested in Qyuns Therapeutics, an anti-body R&D and production company, Nuoling Biomedical Technology (Beijing) Co., Ltd., an ADC linker and coupling technology company, incubated Zhejiang Huida Biotech Co., Ltd. with full product lines for ADC drug toxin raw materials, and held shares of Doer Biologics, a multi-antibody platform R&D company. Moreover, the Company established cooperation with Heidelberg Pharma, a global emerging technology company in the field of ADC based in Germany, on equity investment and products, and organically integrating with its advanced ATAC[®] (Antibody-Amanita Conjugate) technology platform. In the future, the Company will keep strengthening the construction of innovative platform and integration of resources, further expand the cooperation on new technology platforms based on the ADC Global R&D Ecology of Huadong Medicine, and create a world-leading ADC independent R&D platform.

Moreover, the Company keeps developing and has fostered differentiated innovative product lines that cover the full R&D cycle via independent R&D, external cooperation, license-in, etc. As of the date of the Report, the Company has reserved 51 types of innovative and biosimilar medicines under development, which cover oncology, endocrinology, autoimmunity and other fields. All these merits effectively empower the continuous initiation and launching of innovative products, offering impetuses for the medium- and long-term development.

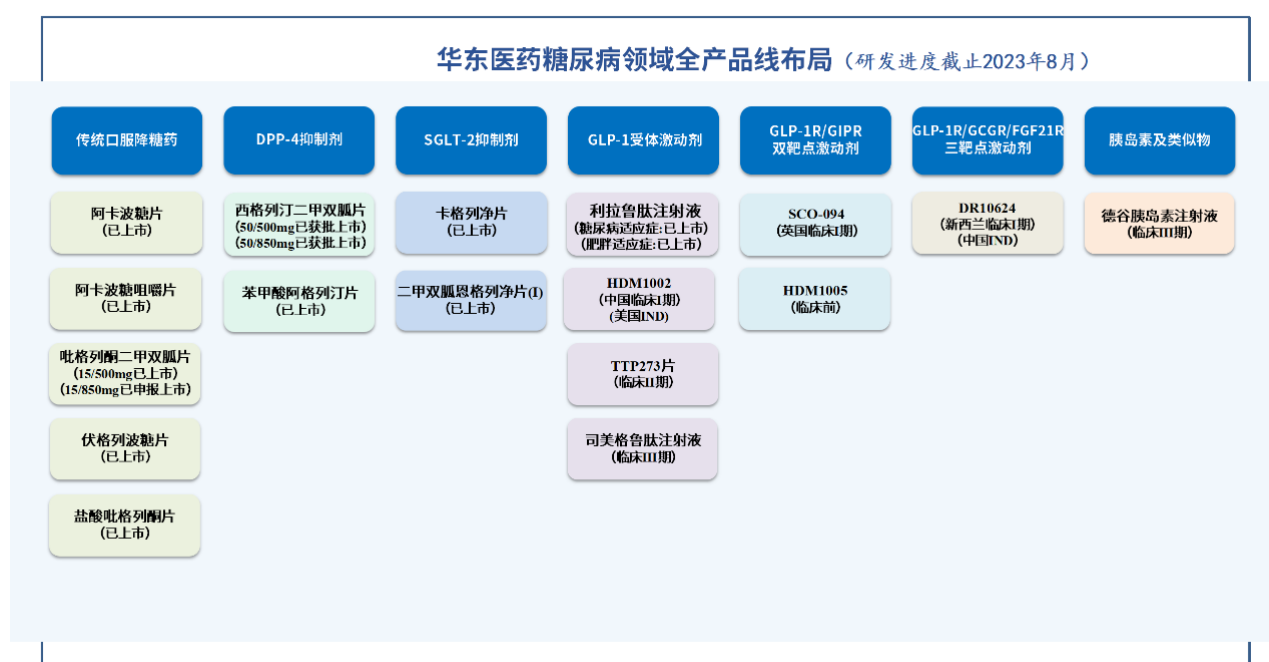
2. Comprehensive ability in developing international businesses

Vigorously advancing its internationalization, the Company has further strengthened its presence in global energy-source aesthetic medicine apparatuses market by acquiring 100% equity of High Tech and Viora. Meanwhile, the Company has also established product or equity cooperation with Akso, Kiniksa and Provention Bioin in the U.S., Heidelberg Pharma in Germany, etc. to complement and enrich the interests of commercial development of innovative medicines in and out of China. Efforts are made to facilitate the international registration of products, and all chemical raw medicines launched have obtained authorized certifications from FDA or EU. Our products such as Daptomycin for Injection, Acarbose Tablets and Pantoprazole Sodium for Injection have been approved by FDA, while some high-end industrial microbiological raw products enjoy strong international competitiveness. The Company never stops its pace in developing international logistics and purchase supplies to foster international purchasing abilities, and has been a part of global innovative medicine R&D industry chain by driving the constant improvement of its abilities in CMO/CDMO businesses.

3. Diverse product lines for specialized and chronic diseases, and comprehensive competitiveness in diabetes treatment and care

Specialized in specialized and chronic diseases, as well as special medicines for years, the Company has fostered good brand effect and laid strong market foundation in such fields as chronic

nephrosis, transplantation immunity, internal secretion and digestive system, continuously keeping in the forefront of similar products in China in terms of market share. The Company has comprehensively laid out product lines of innovative and differentiated generic medicines for clinical mainstream therapeutic targets of diabetes, with over 20 types of products under development or put in commercial production. The Company has also achieved full coverage of clinical first-line immune-suppressive medicines and subsequent products in the field of organ transplantation. With the world's first-in-class layout in three core therapeutic fields of oncology, endocrinology and autoimmunity, the Company has fostered multiple global innovative medicine layouts and R&D ecologies in the field of ADC medicines, forming differentiated advantages.



4. Comprehensive competitive advantages that cover multiple diseases in the field of autoimmunity

In recent years, the Company has continuously made in-depth layout around the field of autoimmunity, introduced the world's leading innovative technologies and products, and kept improving its own innovative R&D capabilities. To date, the Company has had over 10 varieties of biomedicines and micromolecule innovative products in the field of autoimmunity. In the meantime, the Company's Innovative Medicine R&D Center developed multiple new target and biological mechanism immune disease early projects, which are all smoothly advanced.

In the field of autoimmunity, the indications of the Company's existing and under-development products include transplant immunity, systemic lupus erythematosus, psoriasis, atopic dermatitis, seborrheic dermatitis, recurrent pericarditis, Cryopyrin-Associated Periodic Syndromes and other

diseases, covering such diseases as skin, rheumatism, cardiovascular, respiratory, and transplantation. The Company has become one of the pharmaceutical companies with comprehensive coverage in the field of autoimmunity in China. The Company established its external preparations R&D platform in the field of autoimmunity, steadily promoted the R&D innovation for external and complex preparations in combination with actual project practices platform, mainly the development of external liquores, ointments, gelling agents and creams, as well as improvement of the development ability of in vitro release and transdermal experiment method, ability in biochemical detection of biomedicine, level in impurity spectrum analysis and structure confirmation of APIs. To date, its holding subsidiary Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. has fostered three production lines for external preparations.

华东医药自身免疫领域全产品线布局

产品名称	靶点	适应症	最新进展
ZORYVE®乳膏 (0.3%)	PDE4	斑块状银屑病	美国、加拿大已上市
ZORYVE®乳膏 (0.15%)	PDE4	6岁以上特应性皮炎	美国临床III期
ZORYVE®乳膏 (0.05%)	PDE4	2至5岁特应性皮炎	美国临床III期
ARQ-154泡沫剂 (0.3%)	PDE4	脂溢性皮炎	已递交美国NDA申请
ARQ-154泡沫剂 (0.3%)	PDE4	头皮及身体银屑病	美国临床III期
*恩利®	TNF	类风湿关节炎、强直性脊柱炎	国内已上市
*尚杰®	JAK	类风湿关节炎、强直性脊柱炎 银屑病关节炎	国内已上市
HDM3001 (QX001S)	IL12/23	斑块状银屑病	国内上市申请已受理
HDM3002 (PRV-3279)	CD32b/CD79b	系统性红斑狼疮	MRCT临床II期
ARCALYST®	IL-1α/IL-1β	冷吡啉相关的周期性综合征	美国已上市
ARCALYST®	IL-1α/IL-1β	复发性心包炎	美国已上市
他克莫司软膏	CNI类	特应性皮炎	国内上市申请已受理
环孢素软胶囊	CNI类	银屑病、类风湿关节炎 特应性皮炎	国内已上市

*注释：拥有商业化权益

5. China's leading professional pharmaceutical service team and extensive market network

In the pharmaceutical industry segment, the Company has fostered a professional pharmaceutical service and market development team. Coring at the clinical values and academic promotion, the team vigorously promotes the marketing mode that features the online integration of comprehensive hospitals, primary level medical institutions, retailing, third-party terminals and Internet, and has gradually formed multi-channel effective coverage and strong competitive advantages.

As for pharmaceutical business, the Company has made its presence in Zhejiang market for years and boasts a complete business ecosystem with diverse categories of products and services, forming comprehensive competitive advantages in market access and coverage. Keeping improving its four core competencies of logistics, information, finance and operation, and offering such high-end value-added services as policy affairs, the Company has established business partnership with 90% mainstream pharmaceutical enterprises in and out of China, and covered all public medical institutions, key private medical institutions and retain pharmacies in Zhejiang Province, with a leading market share in Zhejiang Province and forefront ranking in the industry for consecutive years. In recent years, the Company has witnessed rapid development in innovative businesses such as products agency and market development, characteristic massive health industry, third-party medical logistics featuring cold chain and medical e-commerce and has formed complete cold chain logistics service system and ability at a leading level in China.

6. High-end international aesthetic medicine product lines that cover noninvasive and micro-invasive mainstream non-operative fields

The Company successfully made its presence in the aesthetic medicine industry by acquiring Sinclair based in UK. Acquiring international energy-source aesthetic medicine apparatus enterprises High Tech and Viora in 2021 and 2022 respectively, Sinclair was granted the global distributorship (except for Germany and UK) of Pr áme Derma Facial Multi-functional facial skin management platform of EMA Aesthetics, an Irish company, in May 2022. Covering all middle- and high-end markets of non-operative aesthetic medicine injections and energy-source aesthetic medicine apparatuses, the Company has now held global rights of multiple patented products in such fields as facial and body filling, facial cleansing, body shaping, catgut embedding, and energy-source apparatuses, and set up an international aesthetic medicine operation and BD team. The Company further integrates its R&D resources and competencies focusing on global high-end aesthetic medicine markets. The Company has successfully developed its international aesthetic medicine businesses that organically combine R&D, manufacturing and marketing, and established an international aesthetic medicine marketing network based on its six global R&D centers in UK, the Netherlands, France, Switzerland, Spain and Israel, as well as Sinclair's six global production

bases in the Netherlands, France, the U.S., Switzerland, Bulgaria and Israel, with its products sold in over 80 countries and regions. To date, the Company has developed 36 types of international high-end “noninvasive and micro-invasive” aesthetic medicine products that cover facial and body filling, catgut embedding, skin management, body shaping, depilation, private repair and other non-operative mainstream aesthetic medicine fields. Specifically, 24 types of these products have been launched in and out of China, and the other 12 types are “first-in-class” products under development. With comprehensive product clusters formed, the Company now ranks in the forefront of the industry in terms of product quantity and coverage.

7. Comprehensively improving the international competitiveness of the industrial microbiology segment based on solid R&D and industrial base

With profound industrial base thanks to over 40 years of development in the industrial microbiology sector, the Company has successfully developed and manufactured multiple types of microbiological medicines, and established the key technology system for R&D and production of microbiological products, ranking in the forefront of the industry in terms of scale and technological level of microbiological fermented products. Being market demand-oriented, R&D technology-driven and industrial resource-coordinative in the industrial microbiology segment, the Company has fostered differentiated product lines and solutions. Since the establishment of the Industrial Microbiology Division, the Company has led the overall business development in the field of industrial microbiology, and formed a complete independent management system in operation, R&D, investment, human resources and marketing. In the industrial microbiology segment, the Company has also established the R&D clusters with Industrial Microbiology of Zhongmei Huadong, HIT Institute of Synthetic Biology, Huida Biotech, Hizyme Biotech and Perfect mRNA as the core, and seven industrial bases in Hangzhou Xiangfuqiao, Qiantang New Area, Jiangsu Joyang Laboratories, Magic Health, Twisun Hi-tech, Wuhu Huaren, and NAU Animal Pharmaceutical. Moreover, the Company has set up the largest fermentation monomer plants in Zhejiang, formed the industry-leading microbiological medicine production ability and high-level R&D capacity that covers all stages of microbiological engineering technologies from strain construction, metabolic regulation, enzymatic catalysis, synthetic modification to separation and purification, and built a complete manufacturing system for R&D, pilot test, commercial production, engineering and public system guarantee of microbiological projects.

In the industrial microbiology segment, the Company has initiated over 230 R&D projects, including 36 projects for xRNA (including 127 subprojects), 44 projects for featured APIs& intermediates, and 28 projects for massive health & biomaterials, animal health, etc. By the end of June 2023, the Company had 121 patents in the field of industrial microbiology, and 88 patents

were under review. In terms of R&D, the Company's industrial microbiology segment has been committed to forming an efficient R&D team with high-quality talents as the core. To date, there are over 300 R&D personnel, over 20% of whom have obtained their master and/or doctoral degrees.

8. Prudent and pragmatic operation style, and stable returns to shareholders

Valuing innovation in management, the Company has always endeavored to satisfy the demands for market competition by improving the quality of its operation. As a result, the Company has achieved long-term steady development thanks to its high-quality products, excellent commercialization capability, compliant yet efficient marketing services, differentiated market positioning, innovative R&D layout, and complete talent planning. Over the past 23 years since it was listed, the Company has distributed dividends for 20 times with the cumulative amount of 5.593 billion yuan, which is well in excess of the 250 million yuan raised during IPO. The Company brings shareholders consistent and steady returns on investment.

III. Main businesses

Overview

Refer to "I. Main Businesses of the Company during the Reporting Period"

Year-on-year Changes in Major Financial Data

Unit: yuan

	Current reporting period	Same period last year	Year-on-year percentage increase/decrease	Reasons for changes
Operating revenue	20,385,344,288.81	18,197,963,991.01	12.02%	
Operating cost	13,917,418,061.11	12,243,374,078.15	13.67%	
Sales expenses	3,083,786,005.03	3,032,965,177.95	1.68%	
Administrative expenses	721,477,862.62	572,048,249.55	26.12%	
Financial expenses	55,848,182.30	5,447,966.20	925.12%	Mainly due to the increase in net interest expenses
Income tax expenses	345,279,440.91	287,938,727.72	19.91%	
R&D input	558,407,142.27	566,596,381.67	-1.45%	
Net cash flow from operating activities	2,021,743,748.65	284,234,410.27	611.29%	Mainly due to the increase in revenue in the current period and accelerated withdrawal of fund
Net cash flow from investing activities	-577,687,027.42	-995,224,437.77	41.95%	Mainly due to the decrease in investment in the current period
Net cash flow from financing activities	-926,491,607.55	277,803,243.85	-433.51%	Mainly due to the year-on-year increase in debt repayment in the current period

Net increase of cash and cash equivalents	526,515,832.72	-459,496,727.95	214.59%	
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Material changes in profit composition or profit sources during the reporting period

☐ Applicable ☒ N/A

No material changes in profit composition or profit sources during the reporting period.

(1) Composition of operating revenue

Unit: yuan

	Current reporting period		Same period last year		Year-on-year percentage increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	20,385,344,288.81	100%	18,197,963,991.01	100%	12.02%
By sector					
Business	13,636,059,547.28	66.89%	12,227,544,864.77	67.19%	11.52%
Manufacturing	6,155,987,802.07	30.20%	5,728,897,548.63	31.48%	7.46%
Aesthetic medicine [Note: 1]	1,224,069,602.01	6.00%	897,380,506.25	4.93%	36.40%
Including: International aesthetic medicine	668,946,339.96	3.28%	530,599,252.48	2.92%	26.07%
Aesthetic medicine in China	646,500,104.35	3.17%	413,184,704.69	2.27%	56.47%
Offset (inter-sectoral offset)	-506,685,654.27		-519,490,722.47		
By product					
By region					
Domestic sales	19,679,447,121.24	96.54%	17,641,053,155.99	96.94%	11.55%
Overseas sales	705,897,167.57	3.46%	556,910,835.02	3.06%	26.75%

[Note 1] The domestic aesthetic medicine business includes the income from the self-operated products of Sinclair (Shanghai), the income from the aesthetic medicine products of the Company's pharmaceutical commercial agency and the income from the OTC weight-loss products of the Company. The statistical specification of the semi-annual of 2023 is consistent with that of the semi-annual of 2022.

The operating revenue or profit accounts for more than 10% of the total by industry, product, or region

☒ Applicable ☐ N/A

Unit: yuan

	Operating revenue	Operating cost	Gross profit rate	Year-on-year percentage increase/decrease in operating revenue	Year-on-year percentage increase/decrease in operating cost	Year-on-year percentage increase/decrease in gross profit rate
By sector						
Business	13,636,059,547.28	12,832,274,870.44	5.89%	11.52%	12.74%	-1.02%
Manufacturing	6,155,987,802.07	1,270,066,961.31	79.37%	7.46%	4.52%	0.58%
By product						
By region						
Domestic sales	19,679,447,121.24	13,680,511,269.29	30.48%	11.55%	13.37%	-1.11%

Overseas sales	705,897,167.57	233,906,791.82	66.86%	26.75%	32.87%	-1.53%
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If the statistical specifications of the Company's main business data have been adjusted during the reporting period, the Company's main business data of the latest period should be adjusted according to the specifications at the end of the reporting period.

☐ Applicable ☒ N/A

IV. Non-main businesses

☒ Applicable ☐ N/A

Unit: yuan

	Amount	Proportion in total profit	Note on reasons	Sustainable or not
Investment gains	-136,885,042.56	-7.67%	Mainly due to long-term equity investment gains measured at equity method	
Gains and losses from changes in fair value	-5,100,698.38	-0.29%		
Asset impairment losses	-3,175,583.57	-0.18%		
Non-operating revenue	2,972,826.61	0.17%		No
Non-operating expenses	16,298,554.80	0.91%		No
Other income	34,813,373.70	1.95%	Mainly due to the confirmation of government grants in the current period	No
Gains on asset disposal	3,519,820.08	0.20%		No

V. Assets and Liabilities

1. Major changes in asset composition

Unit: yuan

	End of the current reporting period		End of last year		Change of proportion	Note on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	4,393,835,953.54	13.33%	3,996,302,178.41	12.81%	0.52%	
Accounts receivable	7,396,011,322.70	22.44%	7,198,746,788.59	23.08%	-0.64%	
Inventories	4,600,017,100.80	13.96%	4,495,483,328.54	14.41%	-0.45%	
Investment real estate	13,174,524.11	0.04%	13,648,240.14	0.04%	0.00%	
Long-term equity investment	1,554,304,930.05	4.72%	1,659,076,538.78	5.32%	-0.60%	
Fixed assets	3,882,268,169.12	11.78%	3,981,653,265.52	12.76%	-0.98%	

Construction in progress	995,490,666.09	3.02%	873,159,427.47	2.80%	0.22%	
Right-of-use assets	140,455,892.14	0.43%	166,505,297.17	0.53%	-0.10%	
Short-term borrowings	1,052,194,176.07	3.19%	947,516,383.37	3.04%	0.15%	
Contract liabilities	125,334,375.52	0.38%	146,488,489.07	0.47%	-0.09%	
Long-term borrowings	746,918,081.65	2.27%	1,051,457,747.44	3.37%	-1.10%	Mainly due to repayment of debt in the current period
Lease liabilities	92,232,272.51	0.28%	84,610,324.98	0.27%	0.01%	
Other non-current assets	1,320,687,263.41	4.01%	1,037,279,933.15	3.33%	0.68%	

2. Information about main overseas assets

☒ Applicable ☐ N/A

Contents of assets	Reasons	Asset size	Location	Operation mode	Control measures to ensure assets security	Earnings position	Proportion of overseas assets to the Company's net assets	Where there are significant impairment risk
Sinclair Pharma Limited	Equity acquisition	2,264,625,300 yuan	United Kingdom	Independent auditing	Approval of decisions on major matters and daily financial supervision by the Board of Directors, and audit by external intermediaries	Loss in the current period	11.22%	No

3. Assets and liabilities measured at fair value

☒ Applicable ☐ N/A

Unit: yuan

Item	Amount at the beginning of the period	Gain/loss from fair value changes in the current period	Accumulated fair value changes recognized in equity	Depreciation reserves withdrawn during the period	Purchase amount in the current period	Selling amount in the current period	Other changes	Amount at the end of the period
Financial								

assets								
2. Derivative financial assets	29,907,470.68	-5,100,698.38						24,806,772.30
4. Other equity instrument investments	360,910,876.41	-808,768.81	1,114,211.66		51,794,250.00	2,051,811.65	4,145.32	409,848,691.27
Total	390,818,347.09	-5,909,467.19	114,211.66		51,794,250.00	2,856,435.14	4,145.32	434,655,463.57
Financial liabilities	0.00							0.00

Other changes

Changes in exchange rate

Whether there are significant changes in the main asset measurement attribute of the Company during the reporting period.

☐Yes ☒No

4. Limitation of asset rights at the end of the reporting period

Item	Ending book value	Reasons for limitation
Monetary funds	450,409,418.49	Certificate of deposit and cash deposit that cannot be withdrawn at any time
Intangible assets	52,246,350.00	Land use rights mortgaged for bank loans
Total	502,655,768.49	

VI. Investment

1. Overview

☒ Applicable ☐ N/A

Investment amount in the reporting period (yuan)	Investment amount in the same period of last year (yuan)	Percentage change
1,101,613,342.52	1,128,489,759.34	-2.38%

2. Significant equity investments acquired during the reporting period

☒ Applicable ☐ N/A

Unit: yuan

Name of invested company	Main business	Way of investment	Investment amount	Shareholding ratio	Fund source	Partner	Term of investment	Product type	Progress as of the balance sheet	Projected income	Profit or loss of investment	Involved in litigation or not	Disclosure date (if any)	Disclosure index (if any)
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									date		in the current period			
Jiangsu NAU Animal Pharmaceutical Co., Ltd.	R&D, production and sales of animal drugs and health care products	Acquisition	265,333,300.00	70.00 %	Equity funds	None	Long term	Equity	Payment of some equity transfer amount and equity capital increase amount according to the agreement		- 586,713.83 [Note]	No	April 20, 2023	Cninfo (http://www.cninfo.com.cn)
Hangzhou Guoshunjiang Venture Capital Partnership (Limited Partnership)	Venture capital investment (investment in unlisted companies only)	Newly established	40,000,000.00	19.05 %	Equity funds	Hangzhou Jianheng Enterprise Management Co., Ltd., Hangzhou Industrial Investment Co., Ltd., Hangzhou Taikun Equity Investment Fund Partner	Long term	Equity	Fund registration not completed and fund not contributed		0.00	No	March 28, 2023	Cninfo (http://www.cninfo.com.cn)

						ershi p (Limi ted Partn ershi p), Betta Phar mace utical s Co., Ltd., Hang zhou West Lake Indus trial Fund Co., Ltd.								
Total	--	--	305,3 33,30 0.00	--	--	--	--	--	--		- 586,7 13.83	--	--	--

Note: For the acquisition project of NAU Animal Pharmaceutical, non-operating special circumstances such as divestiture of transaction-related assets and disposal of transaction-related expenses occurred in Q2 2023, which are main reasons for book loss in the first half of 2023.

3. Significant non-equity investments in progress during the reporting period

☒ Applicable ☐ N/A

Unit: yuan

Item	Way of investment	Investment in fixed assets or not	Industry involved in the investment project	Investment amount during the reporting period	Cumulative actual investment amount by the end of the reporting period	Fund source	Project progress	Projected income	Cumulative income realized by the end of the reporting period	Reasons for not meeting the planned schedule and projected income	Disclosure date (if any)	Disclosure index (if any)
Huadong Medicine Biomedical Science and Techn	Self-built project	Y	Pharmaceutical manufacturing	7,826,888.70	1,790,932,433.36	Equity funds	98.80%	0.00	0.00	N/A	March 9, 2017	Cninfo (http://www.cninfo.com.cn)

ology Park Project Phase II												
Huadong Medicine Life Science Industrial Park (Xiangfu south plot) project	Self- built project	Y	Pharm aceutic al R&D	61,553 ,130.9 3	330,32 9,801. 21	Equity funds	90.68 %	0.00	0.00	N/A	April 21, 2021	Cninfo (http:// www.c ninfo.c om.cn)
Total	--	--	--	69,380 ,019.6 3	2,121, 262,23 4.57	--	--	0.00	0.00	--	--	--

4. Investment in financial assets

(1) Securities Investment

☒ Applicable ☐ N/A

Unit: yuan

Type of stock	Stock code	Stock abbrevi ation	Initial invest ment cost	Accou nting measu remen t model	Book value at the begin ning of the period	Gain/l oss from fair value chang es in the curren t period	Accu mulat ed fair value chang es recog nized in equity	Purch ase amou nt in the curren t period	Sellin g amou nt in the curren t period	Gain/l oss during the report ing period	Endin g book value	Accou nting item	Fund source
Dome stic and overse as stock	RAPT	RAPT	20,20 7,400. 00	Fair value measu remen t	8,064, 797.8 6	- 804,6 23.49	1,475, 616.7 5	0.00	2,051, 811.6 5	0.00	5,208, 362.7 2	Other equity instru ment invest ments	Equit y funds
Total			20,20 7,400. 00	--	8,064, 797.8 6	- 804,6 23.49	1,475, 616.7 5	0.00	2,051, 811.6 5	0.00	5,208, 362.7 2	--	--

Note: Huadong Medicine Investment Holding (Hong Kong) Limited, a subsidiary of the Company, purchased 218,102 Series C-2 preferred shares of RAPT Therapeutics, Inc. in a total of 3 million US dollars in 2018. RAPT Therapeutics, Inc. was listed on NASDAQ exchange on October 30, 2019 (stock code: RAPT). As of the end of the reporting period, Huadong Medicine Investment Holding (Hong Kong) Limited holds 39,500 shares in RAPT after it reduced its stake, accounting for 0.115% of the total shares of RAPT Therapeutics, Inc.

(2) Derivatives investment

☑ Applicable ☐ N/A

Unit: Ten thousand yuan

Name of derivatives investment operator	Association	Related party transaction	Type of derivatives investment	Initial derivative investment amount	Commencement date	Termination date	Investment amount at the beginning of the period	Purchase amount during the reporting period	Selling amount during the reporting period	Provision of impairment reserve (if any)	Investment amount at the end of the period	Proportion of the investment amount at the end of the period in the net assets of the Company at the end of the reporting period	Actual gain/loss during the reporting period
Sinclair Pharma Limited	Wholly-owned subsidiary	No	Currency swap	0.00	January 18, 2022	--	2,990.75	0.00	0.00	0.00	2,480.68	0.12%	-510.07
Total				0.00	--	--	2,990.75	0.00	0.00	0.00	2,480.68	0.12%	-510.07
Capital source of derivatives investment				Equity or self-raised funds									
Litigation (if applicable)				N/A									
Date of announcement of the Board of Directors on derivatives investment approval (if any)				August 10, 2022									
Note on the risk analysis and control measures for derivatives holding during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operational risks and legal risks)				<p>Risks: 1. Market risks: The interest rate, exchange rate and other prices on the market may fluctuate due to changed domestic and overseas economic policies and situations, thus changing the price of financial derivative instruments and causing losses.</p> <p>2. Liquidity risks: Transactions fail to be completed due to the market lacking liquidity and counter-parties.</p> <p>3. Operational risks: Trading financial derivative instruments requires experts who can deal with complexity, which may cause operational risks due to traders or managers thinking there is an error or system failure and out of control.</p> <p>4. Contractual risks: Contracts on financial derivative business expire, some of which cannot be performed on time, and thus they are breached.</p> <p>5. Legal risks: Relevant legal changes lead to a contract that is not in conformity with local laws, so that the contract cannot be performed, or contractual terms are omitted and unclear; or losses are caused to the Company due to the counter-party violating relevant laws and regulations, and thus the contract cannot be performed as required.</p>									

	<p>Measures: The Company and its wholly-controlled subsidiaries avoid speculation and arbitrage when trading financial derivatives, so that strict risk control will be employed during the execution of contracts concerning financial derivatives trading.</p> <ol style="list-style-type: none"> 1. The Company strictly abides by prudent investment principles, selects prudent investment types, and makes investments within the amount approved by the Board of Directors. 2. The Company carefully selects counter-parties for trading, and only trades derivatives with financial institutions featuring robust operations, sound reputation and business license for financial derivative trading. The Company may resort to external professional investment and legal service institutions if necessary to provide consulting services for the Company's financial derivative trading, as well as scientific and precise investment strategies and suggestions. 3. The Company has formulated the <i>Management Rules for Securities Investment and Derivative Trading</i>, setting detailed rules on the management, supervision and information closure related to the Company's derivative trading principles, scope, decision-making authority and capital use, which can effectively prevent investment risks. Besides, the Company will strictly implement related management rules, assign special personnel to follow up on the progress of financial derivative trading. For instance, relevant measures shall be taken in time to control investment risks if there are risks that may affect the Company's capital safety. The Company's audit department is in charge of monitoring and checking the execution of financial derivative trading and reporting to the Audit Committee of the Board of Directors. 4. The Company's audit department is in charge of monitoring and checking the execution of financial derivative trading and reporting to the Audit Committee of the Board of Directors.
In case of changing market prices or fair values of invested derivatives during the reporting period, the analysis of the derivatives' fair values shall disclose the specific methods adopted, relevant assumptions and parameter settings.	Please refer to "Disclosure of fair value" in the "Financial Report" for details when the derivatives are measured at fair value on the market.
Note on accounting policies and specific principles of accounting concerning derivatives during the reporting period, and whether they change significantly when compared with that in the previous reporting period	N/A
Specific opinions of independent directors on the Company's investments in derivatives and risk control	The Company invests in derivatives for the avoidance of market fluctuation risks and hedging, which is closely associated with daily operation requirements. The Company has formulated the <i>Management Rules for Securities Investment and Derivative Trading</i> and enhanced trading risk management and control, which contributes to the avoidance and control of operational risks, improving the Company's capability to withstand market risks. No loss is caused to the Company and all shareholders.

5. Use of raised funds

☐ Applicable ☒ N/A

No such case during the reporting period.

VII. Major assets and equity sales

1. Major assets sales

☐ Applicable ☒ N/A

No such case during the reporting period.

2. Major equity sales

☐ Applicable ☒ N/A

VIII. Analysis of controlling and shareholding companies

☒ Applicable ☐ N/A

Main subsidiaries and the shareholding companies that have an impact on the Company's net profit of more than 10%

Unit: yuan

Company Name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating Profits	Net profits
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Subsidiary	Production and management of Traditional Chinese and Western raw medicines and preparations, and health care products	872,308,130	14,501,992,385.70	9,752,573,849.66	5,918,597,584.28	1,361,020,837.61	1,181,491,352.18

Acquisition and disposal of subsidiaries during the reporting period

☒ Applicable ☐ N/A

Company Name	Methods of acquisition and disposal of subsidiaries during the reporting period	Impact on the overall production, operation and performance
Jiangsu NAU Animal Pharmaceutical Co., Ltd.	Equity acquisition, capital increase	Industrial platform of industrial microbiology
Huadong Medicine Dongyang Co., Ltd.	Equity acquisition	Expand the pharmaceutical business network coverage in Zhejiang Province
Hangzhou Perfect mRNA Biotechnology Co., Ltd.	Newly established	Technology innovation platform in the field of industrial microbiology and pharmaceuticals

Information of major shareholding companies

IX Structured entities controlled by the company

☐ Applicable ☒ N/A

X. Risks and countermeasures

1. Industry policy and market operation risks

The healthy development of the pharmaceutical industry in China is inseparable from China's supervision over the pharmaceutical industry. In recent years, policies have been continuously promoted, gradually standardized, normalized and systematized with the deepening of reforms in the medical and health care field. The external factors such as geopolitics and macroeconomic policies disturb the market and bring uncertainties to the pharmaceutical market in China, which poses new challenges to the production cost and profitability of the pharmaceutical industry. Besides, there is a risk of price reduction of new drug products.

Countermeasures: the Company will pay close attention to China's pharmaceutical policies and the industrial development trend, makes adjustments in time, increases investment in R&D, integrates independent R&D with external introduction, accelerates the layout of innovative varieties in the core treatment field, keeps enriching the product lines, and improves the core competitiveness. In the meantime, the Company reduces the production & operation risks through lean management, cost reduction, and benefit increase, and vigorously expands grassroots and self-funded markets to enlarge the market coverage. Great efforts are made to explore the fields of aesthetic medicine and industrial microbiology, constantly improve brand competitiveness, and create new profit points.

2. Risk in new drug R&D

R&D of innovative drugs is a high-investment, high-risk, and long-term task. Generally, it takes a long time for a new product to be launched from R&D to pre-clinical research, clinical trials, application for registration, production approval, etc. It is always time-consuming and affected by such factors as national policies, market factors, and regulatory approval. In addition, the new drug R&D sets higher requirements for R&D personnel; the investment of manpower and early R&D expenses will put some pressure on the Company to achieve its current business objectives. Meanwhile, new medicines will be tested by the market demands after launching, resulting in the return on R&D investment less than expected.

Countermeasures: the Company will continue to optimize the innovation mechanism, constantly improve the scientific research, evaluation and decision-making system of new drugs, and strengthen the establishment of close ties with well-known R&D institutions at home and abroad. It will also focus on the core treatment field, continuously enrich and optimize the product lines through independent initiation and external introduction, and continuously improve the independent R&D strength to foster its own R&D ecosystem. The Company will continue to increase its introduction of high-level scientific research talents, strengthen the training and encouragement of internal core technicians, and cultivate a high-level innovative scientific research team that can support the whole cycle of innovative drugs R&D.

3. Risk in exchange rate fluctuation

As the internationalization is further advanced, the Company increasingly develops international cooperation and exchanges, expands the sales network of aesthetic medicine in the world, and accelerates the development of its industrial microbiology segment, rising the proportion of foreign currency settlement business. There is uncertainty in exchange rate fluctuation affected by the complicated international political and economic situations. The fluctuation in exchange rate has a far-reaching and lasting impact on the Company, i.e. bringing good economic benefits but also affecting the cost and profit level. The fluctuation in exchange rate will affect the price of the Company's export products and cause exchange gains and losses to the Company, thus directly affecting the Company's assets, liabilities and income, further the operation ability, debt repayment ability and profitability.

Countermeasures: the Company will pay close attention to the fluctuation in exchange rate, adjust our business countermeasures in time according to its own situation, and resolve the adverse effects; develop the exchange risk awareness, and improve the foreign exchange risk management system; strengthen the training of financial personnel's professional skills and risk awareness, enhance the awareness of risk avoidance, and make good use of financial means to avoid exchange rate risks.

4. Risk in investment and merger

Foreign investment is one of the important ways of enterprise development. In recent years, the Company has continued to invest and do mergers and acquisitions in such fields as innovative medicines, aesthetic medicine and industrial microbiology, so as to form goodwill and realize the innovation and transformation development strategy. If the company acquired in the future faces the risk of performance fluctuation, there may be a risk of goodwill impairment, adversely affecting the Company's current operation performance. At the same time, the post-investment management and business integration of the target company also put forward higher requirements for the management of the Company.

Countermeasures: The Company will strive to comprehensively improve our capabilities in overall planning, management structure, financial management, overall operation and governance, and business integration; strengthen the resource sharing and synergy of acquired subsidiaries; regularly test the impairment of goodwill; and enhance comprehensive, scientific and timely post-investment management.

XI. Registration form of receptions, including research, communication and interview, during the reporting period

Reception date	Reception address	Reception method	Type of visitor	Reception object	Main content of discussion and information provided	Index of basic information of the research
January 17, 2023	Conference Room of the Company	Others	Institution and individual	CICC, TF Securities, Industrial Securities, CSC Financial, etc.	Huadong Medicine & CARsgen Therapeutics Commercialization Project Exchange	Please refer to the <i>Record of Investor Relations Activities on January 17, 2023</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
February 15 to 16, 2023	Conference Room of the Company	On-site survey	Institution	China Securities Cooperation, Zheshang Securities, etc.	Investor communication	Please refer to the <i>Record of Investor Relations Activities on February 15 to 16, 2023</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
May 2 to 3, 2023	Conference Room of the Company	On-site survey	Institution and individual	Kaiyuan Securities, CCIC, GF Securities,	Investor communication	Please refer to the <i>Record of Investor Relations Activities on March 2 to 3,</i>

				etc.		2023 presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
April 14, 2023	Conference Room of the Company	Online meeting	Institution and individual	GF Securities, Haitong International, CCIC, etc.	2022 Annual Performance Exchange Meeting of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on April 14, 2023</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
April 21, 2023	Conference Room of the Company	Online meeting	Institution and individual	Citic Securities, TF Securities, Haitong Securities, etc.	2023 Q1 Performance Exchange Meeting of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on April 21, 2023</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
May 8, 2023	Conference Room of the Company	On-site survey	Institution and individual	CICC, Citic Securities, etc.	Activities of Investors' Reception Day	Please refer to the <i>Record of Investor Relations Activities on May 8, 2023 (Activities of Investors' Reception Day)</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
May 12, 2023	Conference Room of the Company	Online meeting	Institution and individual	Institution and individual investors	2022 Annual and 2023 Q1 Online Performance Meeting of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on May 12, 2023</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
June 13, June 15 and June 16, 2023	Conference Room of the Company	On-site survey	Institution	Huatai Securities, China Life Assets, UBS Securities, etc.	Investor communication	Please refer to the <i>Record of Investor Relations Activities on June 13, 15 and 16, 2023</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.

Section IV. Corporate Governance

I. Annual and extraordinary general meetings held during the reporting period

1. Shareholders' meetings in the reporting period

Sessions	Meeting type	Proportion of investors present	Convene date	Disclosure date	Meeting resolution
2022 Annual General Meeting	Annual general meeting	61.65%	May 8, 2023	May 8, 2023	Please refer to the <i>Announcement of Resolutions of 2022 Annual General Meeting of Huadong Medicine</i> (Announcement No.: 2023-033) on Cninfo (http://www.cninfo.com.cn) for details.

2. Extraordinary general meetings convened at the request of preference shareholders with resumed voting rights:

☐ Applicable ☒ N/A

II. Change of directors, supervisors and senior managers of the Company

☒ Applicable ☐ N/A

Name	Title	Type	Date	Reasons
Huang Jian	Independent Director	Elected	May 8, 2023	Additional Independent Director
Yang Lan	Independent Director	Retirement at expiration of the term	May 8, 2023	Retirement at expiration of the term
Niu Zhanqi	Director	Retired	June 21, 2023	Personal reasons

III. Profit distribution and share capital increase by capital reserve conversion during the current reporting period

☐ Applicable ☒ N/A

The Company does not plan to distribute cash dividends, no bonus share will be issued; and no capital reserve will be converted to increase the share capital in the first half of 2023.

IV. Implementation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures

☒ Applicable ☐ N/A

1. Equity incentive

(1) On August 31, 2022, the Company convened the second meeting of the 10th Board of Directors and the 2nd meeting of the 10th Board of Supervisors, deliberating on and passing the *Proposal on the Company's 2022 Restricted Share Incentive Scheme (Draft) and Its Summary*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's 2022 Restricted Share Incentive Scheme*, the *Proposal on the Management Rules of the Company's 2022 Restricted Share Incentive Scheme*, and the *Proposal on Applying to the General Meeting for Authorizing the Board of Directors to Handle Equity Incentive-related Matters*. Independent directors expressed their independent opinions on whether this incentive scheme is conducive to the sustainable development of the Company and whether there is any situation that harms the interests of the Company and all shareholders. See the relevant announcement of the Company published on Cninfo (<http://www.Cninfo.com.cn>) on August 10, 2022 for details.

(2) On August 10, the Company disclosed the *Announcement on Independent Directors Publicly Soliciting Proxy Voting Rights* on Cninfo (www.cninfo.com.cn). Mr. Wang Ruwei, Independent Director of the Company, commissioned by other independent directors publicly solicited proxy voting rights from all shareholders of the Company on proposals related to the 2022 Restricted Share Incentive Scheme reviewed on the 1st extraordinary general meeting in 2022 that was set to be convened on August 31, 2022.

(3) The Company announced publicly the list of the first batch of employees receiving the incentive from the restricted share incentive scheme on the Company's intra-net from August 15 to 25, 2022, which lasted for 10 days in total. As of the end of the announcement on August 25, 2022, the Board of Supervisors did not receive any objection against these employees. On August 25, 2022, the Company convened a session of the Board of Supervisors, during which the *Verification Opinions and Announcement Note on the List of the First Batch of Employees Receiving the Incentive from the Company's 2022 Restricted Share Incentive Scheme* was reviewed and approved. On the same day, the Company disclosed the *Board of Supervisors' Verification Opinions and Announcement Note on the List of the First Batch of Employees Receiving the Incentive from the Company's 2022 Restricted Share Incentive Scheme* and a related announcement on www.cninfo.com.cn.

(4) On August 31, 2022, the Company convened the first extraordinary general meeting in 2022. During the meeting, the *Proposal on the Company's 2022 Restricted Share Incentive Scheme (Draft) and Its Summary*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's 2022 Restricted Share Incentive Scheme*, the *Proposal on the Management Rules of the Company's 2022 Restricted Share Incentive Scheme*, and the *Proposal on Applying to the General Meeting for Authorizing the Board of Directors to Handle Equity Incentive-related Matters* were deliberated on and approved. On the same day, the Company disclosed on www.cninfo.com.cn the *Self-Inspection Report on Insiders and Incentive Receivers of the 2022 Restricted Share Incentive Scheme Purchasing and Selling the Company's Shares* and a related announcement. The incentive scheme was approved in the Company's first extraordinary general meeting in 2022, and the Board of Directors was authorized to implement the restricted share incentive scheme and handle relevant matters according to laws and regulations.

(5) On October 27, 2022, the Company convened the fourth session of the tenth Board of Directors and the fifth session of the tenth Board of Supervisors. During these two sessions, the *Proposal on Adjustments of the*

Company's 2022 Restricted Share Incentive Scheme, and the *Proposal on Granting Restricted Shares to the First Batch of Employees Receiving Incentive from the 2022 Restricted Share Incentive Scheme* were deliberated on and approved. The Company's Board of Directors believed that conditions of the incentive scheme for granting restricted shares were fulfilled, and the Board of Supervisors re-verified the list of incentive receivers on the first grant date, and expressed opinions on the grant. The Company's independent directors agreed on the above proposals. Lawyers and independent financial advisers prepared related reports. On October 28, 2022, the Company disclosed a related announcement on www.cninfo.com.cn.

(6) On November 9, 2022, the Company disclosed the *Announcement on Completion of Registration of the First Grant of the Restricted Share Incentive Scheme in 2022*. The Company completed the registration of the first grant of the restricted share incentive scheme in 2022, and the listing date of the granted restricted shares was November 15, 2022.

(7) On July 12, 2023, the Company convened the twelfth session of the tenth Board of Directors and the eighth session of the tenth Board of Supervisors. During these two sessions, the *Proposal on Adjustments of the Granted Price of the Company's 2022 Restricted Share Incentive Scheme*, and the *Proposal on Granting Reserved Restricted Shares to the First Batch of Employees Receiving Incentive from the 2022 Restricted Share Incentive Scheme* were deliberated on and approved. The Company's Board of Directors believed that reserved conditions of the incentive scheme for granting restricted shares were fulfilled, and the Board of Supervisors re-verified the list of incentive receivers on the date of granting reserved shares, and expressed opinions on the grant. The Company's independent directors agreed on the above proposals. Lawyers and independent financial advisers prepared related reports. On the same day, the Company disclosed a related announcement on www.cninfo.com.cn.

2. Implementation of the employee stock ownership plan

☐ Applicable ☒ N/A

3. Other employee incentives

☐ Applicable ☒ N/A

Section V Environmental and Social Responsibilities

I. Major Environmental Protection Issues

Are the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

☒ Yes ☐ No

Relevant policies and industry standards for environmental protection

Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Water Pollution Prevention and Control, Law of the People's Republic of China on Atmospheric Pollution Prevention and Control, Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution, Law of the People's Republic of China on the Prevention and Control of Soil Pollution, Measures for the Administration of Pollutant Discharge Permits, Emission Standard of Air Pollutants for Pharmaceutical Industry (DB33/ 310005-2021), Discharge Standard of Pollutants for Bio-pharmaceutical Industry (DB 33/ 923-2014), Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008), Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill (GB 18599-2020), Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2023), Technical Specification for Setting Identification Signs of Hazardous Waste (HJ 1276-2022), Integrated Wastewater Discharge Standard of Yellow River Basin in Shaanxi Province (DB 61/ 224-2018), Emission Limits of Water and Air Pollutants for Bio-pharmaceutical Industry (DB 32/ 3560-2019), Emission Standard of Air Pollutants for Pharmaceutical Industry (DB 32/4042-2021), Emission Standard of Air Pollutants for Pharmaceutical Industry (GB 37823-2019), Emission Standard of Volatile Organic Compounds for Chemical Industry (DB 32/3151-2016), Integrated Emission Standard of Air Pollutants (DB 32/4041-2021), Standard for Fugitive Emission of Volatile Organic Compounds (GB 37822-2019), Emission Standards for Odor Pollutants (GB 14554-93), Emission Limits of Water and Air Pollutants for Bio-Pharmaceutical Industry (DB 32/ 3560-2019), Wastewater Quality Standards for Discharge to Municipal Sewers (GB/T 31962-2015), Integrated Wastewater Discharge Standard (GB 8978-1996), Discharge Standard of Water Pollutants for Pharmaceutical Industry - Chemical Synthesis Products Category (GB 21904-2008), Discharge Standard of Pollutants for Bio-Pharmaceutical Industry (DB 31/373-2010), Technical Methods for Making Local Emission Standards of Air Pollutants (GB13201-1991), etc.

Information on environmental protection-related administrative licensing

All the construction projects of the Company were declared, constructed and accepted strictly according to the requirements, approved by EIA, and met the requirements for environmental impact assessment of construction projects.

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. re-applied for the *Pollutant Emission Permit* on June 20, 2023, which is valid until June 19, 2028.

Hangzhou Zhongmei Huadong Pharmaceutical (Jiangdong) Co., Ltd. re-applied for the *Pollutant Emission Permit* on March 4, 2023, which is valid until March 3, 2028. In addition, Hangzhou Zhongmei Huadong

Pharmaceutical (Jiangdong) Co., Ltd. has obtained the EIA approval of *Product Transfer and Expansion of Indobufen Tablets and Clarithromycin Tablets and Expansion and Transformation Project of Acarbose Chewable Tablets* on April 25, 2023, with the approval number of HHQ EIA Batch [2023] No. 28; obtained the EIA approval of the Acceptance of *EIA Registration Form for PulsecathiVAC2L API Product Construction Project* on July 18, 2023, with the approval number of HHQ EIA Batch [2023] No. 32.

The *Pollutant Emission Permit* of Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. is valid from December 27, 2020 to December 26, 2025. In addition, Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. has obtained the EIA approval of the Transformation Project of Storage Tank Area of the Second Workshop of APIs within the reporting period, with the approval number of WHYF (2023) No. 34.

The *Pollutant Emission Permit* of Jiangsu Joyang Laboratories is valid from February 28, 2022 to February 27, 2027.

The *Pollutant Emission Permit* of Wuhu Huaren Science and Technology Co., Ltd. is valid from February 26, 2021 to February 25, 2024.

Designation of Company or Subsidiary	Category of main and particular pollutants	Name of main and particular pollutants	Discharge pattern	Quantity of discharge outlet	Distribution of discharge outlet	Discharge concentration/intensity	Executive pollutant discharge standard	Total discharges	Approved total discharges	Excessive discharge
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant	pH value	Intermittent discharge	1	Main Entrance Moganshan Road, No.866	6.93	6-9	/	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Main Entrance Moganshan Road, No.866	39.85mg/l	500mg/l	3.26 tons (discharged to environment)	33.3 t/a	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant	Ammonia-nitrogen	Intermittent discharge	1	Main Entrance Moganshan Road, No.866	1.18mg/l	35mg/l	0.047 tons (discharged to environment)	2.38 t/a	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Solid pollutant	Hazardous solid waste	Compliant disposal by entrusted qualified units	2	Within the factory at Moganshan Road, No.866	/	/	406.55 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Solid pollutant	General solid waste	Compliant disposal by	2	Within the factory at	/	/	74.7 tons	/	None

cal Co., Ltd.			entrusted qualified units		Moganshan Road, No.866					
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant	Nitric oxide	Organized discharge	1	Roof of Boiler Room at Building 25	28mg/m ³	50mg/m ³	1.021 tons	17.7 t/a	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant	Sulfur dioxide	Organized discharge	1	Roof of Boiler Room at Building 25	4mg/m ³	20mg/m ³	0.151 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant	Dust and fume	Organized discharge	1	Roof of Boiler Room at Building 25	4.6mg/m ³	10mg/m ³	0.127 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Waste water	COD	Continuous discharge	1	Phase II Factory Area	100-350mg/L	500mg/L	152.5020 tons(Nanotube discharge)	141.299 tons (discharged to environment)	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Waste water	Ammonia-nitrogen	Continuous discharge	1	Phase II Factory Area	0-25mg/L	35mg/L	1.8687 tons(Nanotube discharge)	7.066 tons (discharged to environment)	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Exhaust gas	Non-methane hydrocarbon	Organized discharge	1	Phase II Factory Area	0-30mg/L	60mg/L	1.6654 tons	3.002 tons	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	pH value	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	8.0	6-9	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	36.7mg/l	50mg/l	0.544 tons	3 tons	None
Huadong	Water	Ammonia	Intermittent	1	Beside	0.418mg	8mg/l	0.005	0.48	None

Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	pollutant	nitrogen	discharge		National Highway 310, Liuye River, Huayin City	/l		tons	tons	
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	Total nitrogen	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	11.5mg/l	15mg/l	0.167 tons	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Solid pollutant	Hazardous waste	Compliant disposal by entrusted qualified units	3	Within the Company	/	/	158.19 tons	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Volatile organic compounds	Organized discharge	1	APIs Plant 1	/	60mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen chloride	Organized discharge	1	APIs Plant 1	/	30mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Ammonia (ammonia)	Organized discharge	1	APIs Plant 1	/	20mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen chloride	Organized discharge	1	APIs Plant 2	/	30mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	PM	Organized discharge	1	APIs Plant 2	/	20mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Ammonia (ammonia)	Organized discharge	1	Sewage treatment station	/	20mg/m ³	/	/	None

cal Co., Ltd.										
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen sulfide	Organized discharge	1	Sewage treatment station	/	5mg/m ³	/	/	None
Jiangsu Joyang Laboratories	Water pollutant	pH value	Intermittent discharge	1	No. 9, Haidu North Road	8.4	6-9	/	/	None
Jiangsu Joyang Laboratories	Water pollutant	COD	Intermittent discharge	1	No. 9, Haidu North Road	329mg/l	500mg/l	12.19 tons	22.401 t/a	None
Jiangsu Joyang Laboratories	Water pollutant	Ammonia-nitrogen	Intermittent discharge	1	No. 9, Haidu North Road	6.44mg/l	35mg/l	0.238 tons	1.156 t/a	None
Jiangsu Joyang Laboratories	Water pollutant	Total nitrogen	Intermittent discharge	1	No. 9, Haidu North Road	8.95mg/l	45mg/l	0.331 tons	1.486 t/a	None
Jiangsu Joyang Laboratories	Water pollutant	Total phosphorus	Intermittent discharge	1	No. 9, Haidu North Road	0.84mg/l	8mg/l	0.03 tons	0.164 t/a	None
Jiangsu Joyang Laboratories	Solid pollutant	Hazardous solid waste	Compliant disposal by entrusted qualified units	/	No. 9, Haidu North Road	/	/	619.814 tons	3148.7 t/a	None
Jiangsu Joyang Laboratories	Air pollutant	PM	Organized discharge	3	No. 9, Haidu North Road	2.28mg/m ³	60mg/N m ³	1.11 t/semi-annual	42.7409 t/a	None
Wuhu Huaren Science and Technology Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	At the east gate of the factory area	8mg/L	500mg/L	0.13t	0.2t	No
Wuhu Huaren Science and Technology Co., Ltd.	Water pollutant	Ammonia-nitrogen	Intermittent discharge	1	At the east gate of the factory area	0.04mg/L	45mg/L	0.000505t	0.018t	No
Wuhu Huaren Science and Technology Co., Ltd.	Water pollutant	Suspended solids	Intermittent discharge	1	At the east gate of the factory area	12mg/L	400mg/L	0.0214t	/	No
Wuhu Huaren Science and Technology	Water pollutant	Total nitrogen	Intermittent discharge	1	At the east gate of the factory	9.95mg/L	35mg/L	0.0172t	/	No

Co., Ltd.					area					
Wuhu Huaren Science and Technology Co., Ltd.	Water pollutant	Total phosphorus	Intermittent discharge	1	At the east gate of the factory area	0.05	1mg/L	0.001086t	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Water pollutant	Dichloromethane	Intermittent discharge	1	At the east gate of the factory area	0.001mg/L	0.3mg/L	0.000002t	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Water pollutant	PH value	Intermittent discharge	1	At the east gate of the factory area	7.1mg/L	6-9	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Dichloromethane	Organized discharge	1	In the middle of the factory area	/	150 mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Methyl alcohol	Organized discharge	1	In the middle of the factory area	/	100 mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	n-Ethane	Organized discharge	1	In the middle of the factory area	/	80mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Volatile organic compounds	Organized discharge	1	In the middle of the factory area	4.85mg/Nm ³	100 mg/Nm ³	0.093t	9t	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Pyridine	Organized discharge	1	In the middle of the factory area	/	71.1 mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Ethyl alcohol	Organized discharge	1	In the middle of the factory area	/	317.7 mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Hydrogen chloride	Organized discharge	1	In the middle of the factory area	/	30mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Ethyl acetate	Organized discharge	1	In the middle of the factory area	/	150 mg/Nm ³	/	/	No
Wuhu	Air	Odor	Unorganismal	/	Around	/	20mg/N	/	/	No

Huaren Science and Technology Co., Ltd.	pollutant	concentration	zed discharge		the factory boundaries		m ³			
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Methyl alcohol	Unorganized discharge	/	Around the factory boundaries	/	12mg/N m ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Dichloromethane	Unorganized discharge	/	Around the factory boundaries	/	1.5mg/N m ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Ethyl acetate	Unorganized discharge	/	Around the factory boundaries	/	0.5mg/N m ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	n-Hexane	Unorganized discharge	/	Around the factory boundaries	/	0.7 mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Hydrogen chloride	Unorganized discharge	/	Around the factory boundaries	/	0.2 mg/Nm ³	/	/	No
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Volatile organic compounds	Unorganized discharge	/	Around the factory boundaries	/	6mg/Nm ³	/	/	No

Pollutant treatment

1. Pollutant treatment of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Wastewater treatment system of old sewage treatment station	Facultative + fluidized bed process	Originally 600 t/d, and 800 t/d after technical improvement	November 1993 Technical improvement in 2007	Demolished
Wastewater treatment system of new sewage treatment station	Facultative + CASS + steam flotation	2,200 t/d	December 2001 Technical improvement in 2014 (adding IC and steam flotation) IC tower outage for demolition in 2022	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
DA010 (35#-1)	Secondary water spraying + surface cooling + activated carbon adsorption and desorption	15000	2017	Demolished

DA011 (35#-2)	Secondary water spraying	22000	2013	Demolished
DA012 (40#-2)	Activated carbon + horizontal spraying	6000	2019	Demolished
DA013 (32#-1)	Secondary alkaline water spraying	22000	2013	Demolished
DA014 (36#-1)	Secondary clean water spraying + surface cooling + low-temperature plasma + primary water spraying	27000	2017	Normal operation
DA015 (40#-1)	Secondary clean water spraying	24200	/	Demolished
DA016 (18#-1)	Secondary water spraying + activated carbon + primary spraying	30000	2022	Normal operation
DA017 (19#-1)	Combustion tower	/	2018	Demolished
DA018 (19#-2)	Combustion tower	/	2018	Demolished
DA019 (3#-1)	Primary water spraying + photo-oxidation	20000+52000	2019	Normal operation
DA020 (36#-2)	Secondary water spraying + condensation + photo-oxidation + activated carbon + inorganic nano-catalysis + water spraying	10000	2019	Normal operation
DA021 (16#-1)	Primary water spraying + primary alkaline water spraying	12000	2012	Demolished
DA022 (16#-2)	Primary water spraying + primary vegetable oil water spraying	30000	2014	Demolished
DA023 (27#-1)	Condensation + primary alkaline water spraying + all-in-one machine + primary alkaline water spraying	15000	2009	Outage
DA024 (33#-1)	Secondary alkaline water spraying + condensing tank + shared primary alkaline water spraying	48000	2019	Demolished
DA025 (32#-2)	Bag dust removal + high efficiency filter	/	2017	Demolished
DA026 (34#-1)	Secondary alkaline water spraying	54000	2008	Demolished
DA027 (7#-1)	Secondary alkaline water spraying	26000	2015	Normal operation
DA028 (6#-1)	Primary clean water spraying	12200	2016	Normal operation
DA029 (18#-2)	Secondary alkaline water spraying + photo-oxidation + activated carbon + primary alkaline water spraying	16000	2018	Demolished
DA030 (18#-3)	Primary clean water spraying + primary alkaline water spraying	5000	2017	Normal operation
DA031 (25#-2)	Low nitrogen combustion + high altitude emission	8000	2009 Low nitrogen transformation completed in December 2019	Normal operation
DA032 (25#-1)	Low nitrogen combustion + high altitude emission	8000	2009 Low nitrogen transformation completed in December 2019	Normal operation
DA033 (1#-1)	Oil fume purifier	/	/	Normal operation
DA034 (27#-2)	Secondary water spraying + activated carbon adsorption and desorption	15000	2011	Outage
DA035 (27#-3)	Photo-oxidation + primary alkaline water spraying	22300	2016	Outage

DA036 (8#-1)	Secondary water spraying	25000	2017	Normal operation
DA037 (13#-1)	Secondary water spraying + surface cooling + activated carbon adsorption and desorption	25000	2017	Normal operation
DA038 (28#-1)	Primary water spraying + photo-oxidation	22000	2011	Demolished
DA039 (28#-2)	Primary water spraying + photo-oxidation	48000	2011	Demolished
DA040 (29#-1)	Primary water spraying + primary alkaline water spraying	22000	2011	Demolished
DA041 (33#-2)	Primary water spraying	18600	2012	Demolished
DA042 (10#-1)	Primary clean water spraying	20000	2016	Normal operation
DA043 (15#-1)	Primary alkaline water spraying + photo-oxidation	25000	2018	Normal operation
DA044 (43#-1)	Primary alkaline water spraying + primary water spraying	45000	2014	Normal operation
DA045 (46#-1)	Primary clean water spraying	3000	2015	Normal operation
DA046 (46#-2)	Primary clean water spraying	25000	2015	Normal operation
DA047 (46#-3)	Primary clean water spraying	30000	2015	Normal operation
DA048 (23#-1)	Secondary water spraying	7000	2019	Normal operation

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Normative storage	160 tons	March 2012	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	240 tons	March 2010	
General solid waste storage yard	Normative storage	7 tons	March 2010	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	30 tons	June 2004	

2. Pollutant treatment of Hangzhou Zhongmei Huadong Pharmaceutical (Jiangdong) Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Phase I sewage treatment station	Primary sedimentation + EGSB + facultative + aerobic + advanced treatment	1500 t/d	March 2016	Normal operation
Phase II sewage treatment station	EGSB + facultative + aerobic + advanced treatment	8500 t/d	July 2019	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
DA001 Exhaust gas from fermenting east section	Secondary alkaline spraying + photo-catalytic oxidation	45000	May 2016	Normal operation
DA002 Exhaust gas from fermenting west section	Secondary alkaline spraying + photo-catalytic oxidation	40000	May 2016	Normal operation

DA003	Exhaust gas from drying north section	Secondary alkaline spraying	80000	May 2016	Normal operation
DA004	Exhaust gas from sewage treatment station	Secondary alkaline spraying	50000	May 2016	Normal operation
DA006	Exhaust gas from batching section	Primary alkaline spraying	10000	May 2016	Normal operation
DA007	Exhaust gas from quality testing and R&D	Primary alkaline spraying + photo-catalytic oxidation	20000	May 2016	Normal operation
DA008	Exhaust gas from drying south section	Secondary alkaline spraying	80000	May 2016	Normal operation
DA010	Exhaust gas from plate-and-frame filter	Secondary alkaline spraying + photo-catalytic oxidation	40000	May 2017	Normal operation
DA011	Exhaust gas from drying cooling bin	Secondary alkaline spraying	20000	May 2017	Normal operation
DA012	Exhaust gas from drying 7m	Primary alkaline spraying	20000	May 2016	Normal operation
DA013	Exhaust gas from drying 18m	Primary alkaline spraying	20000	May 2016	Normal operation
DA014	Exhaust gas from tank area	Activated carbon + alkaline spraying	Few	June 2019	Normal operation
DA015	RTO exhaust gas	Water spraying + RTO + alkaline spraying	100000	June 2019	Normal operation
DA016	Exhaust gas from Vogely preparation	Bag dust removal	Few	June 2019	Normal operation
DA017	MP exhaust gas	Photo-catalytic oxidation	44000	June 2019	Normal operation
DA018	Exhaust gas from super-resistant fermentation	Alkaline spraying + photo-catalytic oxidation + water spraying	20000	June 2019	Normal operation
DA019	X8 exhaust gas	Acid spraying + water spraying	6000	June 2019	Normal operation
DA021	Exhaust gas from quality testing	Alkaline spraying + photo-catalytic oxidation + water spraying	30000	June 2019	Normal operation
DA022	Exhaust gas from AK refining hydrochloric acid	Alkaline spraying + water spraying	10000	June 2019	Normal operation
DA023	Exhaust gas I from spray drying	Bag dust removal + water spraying	Few	June 2019	Normal operation
DA024	Exhaust gas from AK fermenting north section	Alkaline spraying + photo-catalytic oxidation + water spraying	90000	June 2019	Normal operation
DA025	Exhaust gas from AK fermenting south section	Alkaline spraying + photo-catalytic oxidation + water spraying	90000	June 2019	Normal operation
DA026	Exhaust gas from Phase II sewage treatment station	Alkaline spraying + water spraying	58000	June 2019	Normal operation
DA027	Exhaust gas from center control	Alkaline spraying + photo-catalytic oxidation + water spraying	8000	June 2019	Normal operation
DA028	YT exhaust gas	Alkaline spraying + water spraying	4000	June 2019	Normal operation
DA029	Exhaust gas II from spray drying	Bag dust removal + water spraying	Few	June 2019	Normal operation
DA030	Exhaust gas from AK refining ethyl alcohol	Alkaline spraying + water spraying	1000	June 2019	Normal operation

DA031	Exhaust gas from Bailing Tablets preparation	Condensation + Secondary water spraying	20000	July 2022	Normal operation
HDBL-FQ217	HDG solvent-containing exhaust gas	Oxidation spraying + secondary alkaline spraying	2000	September 2022	Outage
HDBL-FQ218	HDG odor exhaust gas	Oxidation spraying + alkaline spraying	20000	September 2022	Outage

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Normative storage	10 tons	March 2017	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	200 tons	May 2021	
General solid waste storage yard	Normative storage	20 tons	March 2016	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	15 tons	March 2016	
	Normative storage	40 tons	July 2019	
	Normative storage	30 tons	July 2019	

3. Pollutant treatment of Huadong Medicine (Xi 'an) Bohua Pharmaceutical Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Wastewater treatment system of sewage treatment station	Pretreatment + Fenton system + facultative + aerobic + MBR + carbon filtration	250 t/d	July 2012	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Time when put into operation	Operation condition
Exhaust gas treatment equipment for APIs Plant 1	Alkaline solution spraying + dry filter (filter cotton) + UV photolysis + activated carbon adsorption	October 2020	Normal operation
Exhaust gas treatment equipment for APIs Plant 2	Secondary alkaline solution spraying + dry filter + UV photolysis + activated carbon	November 2019	Normal operation
Exhaust gas treatment equipment for solid preparation	Bag dust removal	2018	Normal operation

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Storage capacity	Time when put into operation	Operation condition
Hazardous waste repository	Normative storage	60 tons	January 2012	Normative storage, compliant transfer and disposal by entrusted qualified units

4. Pollutant treatment of Jiangsu Joyang Laboratories

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Wastewater treatment system of sewage treatment station	Steam flotation tank + hydrolytic acidification + IC tower + UASB tank + A/O tank + O tank + secondary sedimentation tank	300 t/d	December 2014	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
Exhaust gas treatment equipment for extracting section in Plant 101	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	10000	2014	Normal operation
Exhaust gas treatment equipment for fermentation section in Plant 101	Primary water spraying + water-gas separator + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	20000	2019	Normal operation
Exhaust gas treatment equipment for drying section in Plant 101	Primary water spraying + water-gas separator + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	22000	2017	Normal operation
Exhaust gas treatment equipment for batching section in Plant 101	Cyclone separator + primary water spray + 15m exhaust pipe high altitude emission	5000	2014	Normal operation
Exhaust gas treatment equipment for fermentation sections in Plants 104/107/108	Primary water spraying + water-gas separator + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	75000	2021	Normal operation
Exhaust gas treatment equipment for extracting section in Plant 104	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	10000	2015	Normal operation
Exhaust gas treatment equipment for batching sections in Plants 104/107/108	Cyclone separator + primary water spray + 15m exhaust pipe high altitude emission	5000	2015	Normal operation
Exhaust gas treatment equipment for drying sections in Plants 104/107/108	Primary water spraying + water-gas separator + secondary activated carbon adsorption	20000	2015	Normal operation
Exhaust gas treatment equipment for pretreatment tank and hazardous waste repository in Plant 103 and Plant 303	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	40000	2019	Normal operation
Exhaust gas treatment equipment for Plant 106	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	10000	2015	Normal operation
Exhaust gas treatment equipment for extracting section in Plant 107	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	20000	2019	Normal operation
Exhaust gas treatment equipment for extracting section in Plant 108	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	40000	2019	Normal operation
Exhaust gas treatment equipment for Plant 109	Primary water spraying + 25m exhaust pipe high altitude emission	20000	2019	Normal operation

Exhaust gas treatment equipment for sewage treatment station 303	Primary water spraying + water-gas separator + photo-catalytic + 25m exhaust pipe high altitude emission	15000	2021	Normal operation
Exhaust gas treatment equipment for Plant 103	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	45000	2022	Normal operation
Exhaust gas treatment equipment in laboratories	Spraying + activated carbon adsorption	25000	2023	Normal operation

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Normative storage	300 tons	October 2020	Normative storage, compliant disposal by entrusted qualified units
Household garbage dumping site	Normative storage	3 tons	March 2015	Garbage disposal site in the east of the city

5. Pollutant treatment by Wuhu Huaren Science and Technology Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Sewage treatment station	Chemical flocculation + bio-treatment	30t/d	July 26, 2020	Normal

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
Organic exhaust gas treatment facilities	Activated carbon adsorption	/	2016.11	Normal operation

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Disposal by qualified units	20	July 15, 2022	Normal operation

Emergency plan for sudden environmental events

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. has formulated, regularly modified and perfected the *Emergency Plan for Sudden Environmental Events* as required, with the record No. of 330105-2021-003-M.

Hangzhou Zhongmei Huadong Pharmaceutical (Jiangdong) Co., Ltd. has modified and recorded the *Emergency Plan for Sudden Environmental Events* in 2022, with the record No. of 330114-2022-069-M.

Huadong Medicine (Xi 'an) Bohua Pharmaceutical Co., Ltd. has modified and perfected the *Emergency Plan for Sudden Environmental Events* as required in 2021, and recorded the Plan in Weinan Ecological Environment Bureau, with the record No. of 610582-2021-090-L.

Jiangsu Joyang Laboratories has formulated the *Emergency Plan for Sudden Environmental Events*, which has been approved and recorded in June 2021, with the record No. of 320924-2021-039-M.

Wuhu Huaren Science and Technology Co., Ltd. Has formulated and recorded the *Emergency Plan for Sudden Environmental Events*, with the record No. of 340203-2022-018-L.

Investment in environmental governance and protection, and the relevant information on paying environmental protection tax

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. invested 1,290,000 yuan in environmental governance and protection, and paid the environmental protection tax of 1,578.73 yuan.

Hangzhou Zhongmei Huadong Pharmaceutical (Jiangdong) Co., Ltd. is not required to pay environmental protection tax according to relevant policies.

Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. invested 945,300 yuan in environmental governance and protection, and paid the environmental protection tax of 833.21 yuan.

Jiangsu Joyang Laboratories invested about 3,400,000 yuan in environmental governance and protection in the first half of 2023.

Wuhu Huaren Science and Technology Co., Ltd. invested about 196,000 yuan in environmental governance and protection, and paid the environmental protection tax of 146.72 yuan in the first half of 2023.

Environmental self-monitoring program

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. has formulated the *Pollution Source Self-monitoring Program*, registered the Program in the environmental protection department, and reported all the monitoring data as required.

Hangzhou Zhongmei Huadong Pharmaceutical (Jiangdong) Co., Ltd. has formulated the entrusted monitoring plan according to the self-monitoring requirements in the *Pollutant Emission Permit*, and carried out daily, monthly, quarterly or annual entrusted monitoring according to the monitoring plan.

Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. has formulated the *Self-monitoring Program*, registered the Program in the environmental protection department, and reported the monitoring data as required.

Jiangsu Joyang Laboratories has formulated the *Pollution Source Self-monitoring Program* according to the relevant national environmental protection requirements, and reported daily monitoring data as required.

Wuhu Huaren Science and Technology Co., Ltd. has formulated the entrusted monitoring plan according to the self-inspection requirements in the *Pollutant Emission Permit*, and carried out daily, monthly, quarterly or annual entrusted monitoring according to the monitoring plan.

Administrative penalties for environmental issues during the reporting period

No administrative penalties for environmental issues during the reporting period

Other environmental information to be disclosed

None

Measures taken to reduce carbon emissions during the reporting period and corresponding effects

☒ Applicable ☐ N/A

Hangzhou Zhongmei Huadong Pharmaceutical (Jiangdong) Co., Ltd. continued to use biogas to generate electricity, reducing the emissions of methane, hydrogen sulfide, and other pollutants, and continuously took lean measures in the plants to reduce pollutant emissions, such as saving water and reducing consumption.

Jiangsu Joyang Laboratories made technical improvement for air-conditioning units and heat exchanger pipes and reduced direct steam discharge by combing the Company's steam use points, expecting to save 150 tons of standard coal every year. Moreover, it adjusted the actual load and demand load by analyzing the power consumption of the Company, which saves the transformer capacity fee of 45,000 kW h every month.

Other environmental protection related information

None

II. Social Responsibilities

During the reporting period, the Company actively fulfilled its social responsibilities, quickly responded to special situations, and established a complete set of emergency call plans. With the upstream and downstream pharmaceutical supply chain partners gathered, the Company actively practiced the idea of “seizing time is to save lives” to foster its own brands with social benefits.

The Company actively responded to the “Spring Breeze Action” with the theme of “Pooling Efforts of All Walks of Life to Help People with Urgent Needs” launched by Hangzhou. Aiming to satisfy the people in need for a better life, the “Spring Breeze Action” gathers pools the efforts of social forces to help the low-income groups and people in need accurately, which plays an important role in promoting the improvement of people’s livelihood and strengthening social governance.

Section VI. Important Matters

I. Commitments made by interested parties such as the Company's de facto controller, shareholders, related parties, acquirer(s), and the Company that are fulfilled during the reporting period or unfulfilled by the end of the reporting period

☐ Applicable ☒ N/A

The Company does not have commitments made by interested parties such as the Company's de facto controller, shareholders, related parties, acquirer(s), and the Company that are fulfilled during the reporting period or unfulfilled by the end of the reporting period.

II. Controlling shareholders' and related parties' occupation of non-operating funds of the listed companies

☐ Applicable ☒ N/A

No such case during the reporting period.

III. External guarantees in violation of provisions

☐ Applicable ☒ N/A

No such case during the reporting period.

IV. Employment and dismissal of accounting firms

Whether the semi-annual financial report has been audited?

☐ Yes ☒ No

The Company's semi-annual report is not audited.

V. Explanation by the Board of Directors and the Board of Supervisors on the "nonstandard audit report" of the accounting firm during the current reporting period

☐ Applicable ☒ N/A

VI. Explanation by the Board of Directors on the "nonstandard audit report" in the first half of 2023

☐ Applicable ☒ N/A

VII. Bankruptcy reorganization

☐ Applicable ☒ N/A

The Company does not have related matters of bankruptcy reorganization during the reporting period.

VIII. Contentious matters

Major litigations and arbitrations

☐ Applicable ☒ N/A

The Company has no major litigations and arbitrations during the current reporting period.

Other litigations and arbitrations

☒ Applicable ☐ N/A

Basic of litigations (arbitrations)	Amount involved (Ten thousand yuan)	Whether an estimated liability is formed	Litigation (arbitration) progress	Litigation (arbitration) adjudication result and impact	Execution of litigation (arbitration) judgments	Disclosure date	Disclosure index (if any)
Summary of matters don't satisfy the standards for major litigations (arbitrations) (domestic)	5220.04	No	Some cases are under trials and some adjudications have come into force	This summary of litigations has no significant impact on the Company	Some cases have been executed; some adjudicated cases are being executed; some are not adjudicated.	Do not meet the disclosure standards for major litigations	/
Summary of matters don't satisfy the standards for major litigations (arbitrations) (overseas)	121.6	No	Under trails	This summary of litigations has no significant impact on the Company	Cases are under trails and are to be adjudicated	Do not meet the disclosure standards for major litigation	/

IX. Punishment and rectification

☐ Applicable ☒ N/A

X. Integrity of the Company and its controlling shareholders and de facto controller

☐ Applicable ☒ N/A

XI. Major related transactions

1. Transactions related to daily operations

☒ Applicable ☐ N/A

Related party	Association	Type of related transaction	Content of related transaction	Pricing principles for related transaction	Price of related transaction	Related transaction amount	Proportion in the amount of	Approved transaction amount	Whether it exceeds the approved	Settlement method of related	Available market prices	Disclosure date	Disclosure index (if any)
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		saction	ction	n	dtrans action	nt (ten thousa nd yuan)	simila r transa ctions	nt (ten thousa nd yuan)	ved amou nt	d transa ction	of simila r transa ctions		
Penglai Nuokan g Pharmac eutical Co. Ltd.	Subsid iary of the Comp any's contro lling shareh older	Dru g pur cha se	Drug purch ase	Market price determin ed by the Company 's related transactio n decision- making process	M ark et pri ce	1,433. 41	0.10%	3,300	No	Cash, banke r's accept ance bill	Marke t price	April 14, 2023	Cninf o (http:// www .Cninf o.com .cn)
Changc hun Leiyuns hang Pharmac eutical Co., Ltd.	Subsid iary of the Comp any's contro lling shareh older	Dru g pur cha se	Drug purch ase	Market price determin ed by the Company 's related transactio n decision- making process	M ark et pri ce	68.89	0.00%	0	Y	Cash, banke r's accept ance bill	Marke t price	April 14, 2023	Cninf o (http:// www .Cninf o.com .cn)
Hangzh ou Jiuyuan Gene Enginee ring Co., Ltd.	Joint ventur e of the Comp any	Dru g pur cha se	Drug purch ase	Market price determin ed by the Company 's related transactio n decision- making process	M ark et pri ce	3,942. 72	0.28%	7,600	No	Cash, banke r's accept ance bill	Marke t price	April 14, 2023	Cninf o (http:// www .Cninf o.com .cn)
Grandph arma Huangs hi Feiyun Pharmac eutical Co., Ltd.	Subsid iary of the Comp any's contro lling shareh older	Dru g pur cha se	Drug purch ase	Market price determin ed by the Company 's related transactio n decision- making process	M ark et pri ce	7.77	0.00%	14,11 0	No	Cash, banke r's accept ance bill	Marke t price	April 14, 2023	Cninf o (http:// www .Cninf o.com .cn)
Sichuan Yuanda Shuyang Pharmac eutical Co., Ltd.	Subsid iary of the Comp any's contro lling shareh	Dru g pur cha se	Drug purch ase	Market price determin ed by the Company 's related transactio n	M ark et pri ce	1,539	0.11%	4,000	No	Cash, banke r's accept ance bill	Marke t price	April 14, 2023	Cninf o (http:// www .Cninf o.com .cn)

	older			decision-making process									
Changshu Leiyunshang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	69.42	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Xi'an Yuanda Detian Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	148.61	0.01%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Leiyunshang Pharmaceutical Group Co. Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,252.35	0.09%	3,200	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,438.01	0.10%	2,800	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Guangdong Leiyunshang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	121.9	0.01%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)

Yunnan Leiyunshang Lixiang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	948.65	0.07%	3,460	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Shenyang Yaoda Leiyunshang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	272.94	0.02%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Xi'an Yuanda new Beilin Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	159.85	0.01%	14,110	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Wuhan Grand Pharmaceutical Group Sales Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,276.07	0.09%	14,110	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Grandpharma (China) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	3,443.28	0.25%	14,110	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Beijing Grand Johamu	Subsidiary of the	Drug purchase	Drug purchase	Market price determin	Market	2,165.98	0.16%	14,110	No	Cash, bank's	Market price	April 14, 2023	Cninfo (http://

Pharmaceutical Co., Ltd.	Company's controlling shareholder	Share		ed by the Company's related transaction decision-making process	price					acceptance bill			/www.Cninfo.com.cn)
Grand Life Science (Chongqing) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	178.07	0.01%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Anhui Leiyunshang pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	74.31	0.01%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Grand Life Science (Wuhan) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	532.57	0.04%	1,000	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Liaoning Weibang Biopharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	20.62	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Grand Life Science (Liaoning) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related	Market price	982.44	0.07%	830	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com)

	lling shareholder			transaction decision-making process									.cn)
Beijing Yuanda Chuangxin Property Management Co., Ltd.	Subsidiary of the Company's controlling shareholder	Property management fee	Property management fee	Market price determined by the Company's related transaction decision-making process	Market price	23.86	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	Processing charge	Processing charge	Market price determined by the Company's related transaction decision-making process	Market price	812.5	0.06%	8,750	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	Technical service fee	Technical service fee	Market price determined by the Company's related transaction decision-making process	Market price	800	0.06%	8,750	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Grand Bay Hotel View Chengdu Co., Ltd.	Subsidiary of the Company's controlling shareholder	Conference fee	Conference fee	Market price determined by the Company's related transaction decision-making process	Market price	31.5	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Beijing Haiwan Banshan Hotel Management Co., Ltd.	Subsidiary of the Company's controlling shareholder	Conference fee	Conference fee	Market price determined by the Company's related transaction decision-making process	Market price	7	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)

				making process									
Leiyunshang Pharmaceutical Group Co. Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making process	Market price	28.72	0.00%	600	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making process	Market price	81.08	0.00%	178	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making process	Market price	537.71	0.03%	500	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Guangdong Leiyunshang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making process	Market price	238.84	0.01%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)
Chongqing Peg-Bio Biopharm Co., Ltd.	Joint venture of the Company	Drug production and technical services	Drug production and technical services	Market price determined by the Company's related transaction decision-making process	Market price	223.62	0.01%	276	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.cninfo.com.cn)

Xi'an Yuanda Detian Pharmaceutical Co., Ltd	Subsidiary of the Company's controlling shareholder	Agent service fee	Agent service fee	Market price determined by the Company's related transaction decision-making process	Market price	93.58	0.00%	1,000	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Penglai Nuokang Pharmaceutical Co. Ltd.	Subsidiary of the Company's controlling shareholder	Agent service fee	Agent service fee	Market price determined by the Company's related transaction decision-making process	Market price	61.92	0.00%	40	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Beijing Grand Johamu Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Technical service fee	Technical service fee	Market price determined by the Company's related transaction decision-making process	Market price	79.08	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Grandpharma (China) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Technical service fee	Technical service fee	Market price determined by the Company's related transaction decision-making process	Market price	0.75	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of the Company's controlling shareholder	Technical services	Technical services	Market price determined by the Company's related transaction decision-making process	Market price	4.34	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Sichuan Yuanda Shuyang	Subsidiary of the	Transportation	Transportation	Market price determined	Market price	5.51	0.00%	400	No	Cash, bank's	Market price	April 14, 2023	Cninfo (http://

Pharmaceutical Co., Ltd.	Company's controlling shareholder	tion and warehouse using services	and warehouse services	ed by the Company's related transaction decision-making process	price					acceptance bill			/www.Cninfo.com.cn)
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	House leasing	House leasing	Market price determined by the Company's related transaction decision-making process	Market price	6.42	0.00%	6.42	No	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Bering Yanhuan Real Estate Co., Ltd.	Subsidiary of the Company's controlling shareholder	House leasing	House leasing	Market price determined by the Company's related transaction decision-making process	Market price	30.32	0.00%	0	Y	Cash, bank's acceptance bill	Market price	April 14, 2023	Cninfo (http://www.Cninfo.com.cn)
Total				--	--	23,143.61	--	52,050.42	--	--	--	--	--
Details of bulk sales returns				N/A									
Actual performance during the reporting period where the total amount of daily related transactions is estimated by category for the current period (if any)				Actual amount occurred in daily transactions related to daily operations of the Company and its subsidiaries did not exceed the annual estimate during the reporting period.									
Reasons for the large difference between the transaction price and the market reference price (if applicable)				N/A									

2. Related transactions involving the acquisition or selling assets and equity

☐ Applicable ☒ N/A

No such case during the reporting period.

3. Related transactions of joint external investment

☐ Applicable ☒ N/A

No such case during the reporting period.

4. Associated claim and debt transactions

☐ Applicable ☒ N/A

No such case during the reporting period.

5. Transactions with financial companies who are related parties of the Company

☐ Applicable ☒ N/A

No deposit, loan, credit or other financial business between the Company and the related financial companies

6. Transactions between the financial companies controlled by the Company and the related parties

☐ Applicable ☒ N/A

No deposit, loan, credit or other financial business between the financial companies controlled by the Company and the related parties.

7. Other major related transactions

☐ Applicable ☒ N/A

No such case during the reporting period.

XII. Major contracts and their fulfillment**1. Entrustment, contracting and leasing****(1) Entrustment**

☐ Applicable ☒ N/A

No such case during the reporting period.

(2) Contracting

☐ Applicable ☒ N/A

No such case during the reporting period.

(3) Leasing

☐ Applicable ☒ N/A

No such case during the reporting period.

2. Important guarantees

☒ Applicable ☐ N/A

Unit: Ten thousand yuan

External guarantees of the Company and its subsidiaries (excluding guarantees for subsidiaries)										
Guaranteed party	Disclosure date	Guarantee Cap	Actual date of	Actual guarantee	Type of guarantee	Collateral (if	Counter guaranty	Period of	Fulfilled or not	Guarantee for a

	of the announc ement related to the guarante e Cap		occurren ce	ed amount		any)	(if any)	guarante e		related party or not
The Company's guarantees for its subsidiaries										
Guarantee d party	Disclosu re date of the announc ement related to the guarante e Cap	Guaran tee Cap	Actual date of occurren ce	Actual guarante ed amount	Type of guarantee	Collate ral (if any)	Counter guaranty (if any)	Period of guarante e	Fulfilled or not	Guarante e for a related party or not
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 28, 2022	85,000	October 12, 2022	8,561.45	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 14, 2023	85,000	January 18, 2023	17,419.4 4	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 14, 2023	85,000	January 30, 2023	2,205.52	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 14, 2023	85,000	February 23, 2023	2,466.02	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 14, 2023	85,000	February 24, 2023	1,826.2	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 14, 2023	85,000	March 3, 2023	1,890.49	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmace utical Co., Ltd.	April 14, 2023	85,000	March 22, 2023	10,000	Joint and several liability guarantee			Annually	No	No

utical Co., Ltd.										
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	March 24, 2023	8,667.58	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	March 29, 2023	1,098.71	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	April 25, 2023	17,229.4	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	April 26, 2023	11,227.01	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	May 12, 2023	788.55	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	May 26, 2023	8,904.02	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	May 30, 2023	4,381.65	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	June 16, 2023	3,127	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	June 25, 2023	10,000	Joint and several liability guarantee			Annually	No	No
Hangzhou	April	85,000	June 30,	6,234.09	Joint and			Annually	No	No

Zhongmei Huadong Pharmaceutical Co., Ltd.	14, 2023		2023		several liability guarantee			y		
Huadong Medicine Supply Chain Management (Jinhua) Co., Ltd.	April 19, 2019	20,000						Ten years		
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	April 14, 2023	5,000						Annually		
Huadong Medicine Ningbo Sales Co., Ltd.	April 14, 2023	16,000						Annually		
Huadong Medicine Huzhou Co., Ltd.	April 14, 2023	15,000	April 20, 2023	4,275	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 14, 2023	19,000	February 13, 2023	100	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 14, 2023	19,000	March 31, 2023	7,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine (Hangzhou) Biological Products Co., Ltd.	April 14, 2023	3,000	April 13, 2023	105.14	Joint and several liability guarantee			Annually	No	No
Huadong Medicine (Hangzhou) Biological Products Co., Ltd.	April 14, 2023	3,000	April 21, 2023	184.02	Joint and several liability guarantee			Annually	No	No
Huadong Medicine (Hangzhou) Biological Products	April 14, 2023	3,000	April 27, 2023	37.45	Joint and several liability guarantee			Annually	No	No

Co., Ltd.										
Huadong Medicine (Hangzhou) Biological Products Co., Ltd.	April 14, 2023	3,000	May 19, 2023	20.3	Joint and several liability guarantee			Annually	No	No
Huadong Medicine (Hangzhou) Biological Products Co., Ltd.	April 14, 2023	3,000	June 13, 2023	293.6	Joint and several liability guarantee			Annually	No	No
Huadong Medicine (Hangzhou) Biological Products Co., Ltd.	April 14, 2023	3,000	June 16, 2023	54	Joint and several liability guarantee			Annually	No	No
Jiangsu Joyang Laboratories	April 14, 2023	7,000						Annually		
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	July 12, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	July 13, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	August 4, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	August 5, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	August 24, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	September 13, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	September 15, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou	April 28, 2022	24,000	October 14, 2022	1,000	Joint and several liability			Annually	No	No

Co., Ltd.					guarantee					
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	October 26, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	November 7, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	November 9, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	December 8, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 28, 2022	24,000	December 9, 2022	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	January 3, 2023	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	January 4, 2023	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	January 4, 2023	990	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	April 6, 2023	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	April 7, 2023	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	April 18, 2023	1,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	April 21, 2023	1,210	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	May 25, 2023	140	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	June 21, 2023	616.78	Joint and several liability guarantee			Annually	No	No

Huadong Medicine Wenzhou Co., Ltd.	April 14, 2023	24,000	June 27, 2023	35	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Lishui Co., Ltd.	April 14, 2023	15,000	April 7, 2023	6,000	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Daishan Co., Ltd.	April 14, 2023	2,600						Annually		
Huadong Medicine Cunde (Zhoushan) Co., Ltd.	April 14, 2023	9,900						Annually		
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	April 14, 2023	40,000	January 19, 2023	307.44	Joint and several liability guarantee			Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	April 14, 2023	40,000	March 27, 2023	8,000	Joint and several liability guarantee			Annually	No	No
Hangzhou Huadong Pharmacy Chain Co., Ltd.	April 14, 2023	5,000	May 26, 2023	4,750	Joint and several liability guarantee			Annually	No	No
Huadong Medicine Jinhua Co., Ltd.	April 14, 2023	15,000	April 23, 2023	3,990	Joint and several liability guarantee			Annually	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 14, 2023	3,500						Annually		
Hubei Meiqi Health Technology Co., Ltd.	April 14, 2023	5,400						Annually		
Huadong Pharmaceutical (Hong Kong) Investment	April 14, 2023	76,000						Annually		

t Holding Co., Ltd.										
Sinclair Pharma Limited	November 23, 2018	40,000	May 21, 2020	10,971.84	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	November 23, 2018	40,000	July 30, 2020	2,742.96	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	November 23, 2018	40,000	November 16, 2020	1,828.64	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	November 23, 2018	40,000	February 4, 2021	2,742.96	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,591.15	March 30, 2021	2,742.96	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,591.15	April 19, 2021	3,657.28	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,591.15	May 26, 2021	3,657.28	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,591.15	August 11, 2021	1,828.64	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,591.15	September 14, 2021	1,828.64	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	July 16, 2021	38,305.3	January 13, 2022	39,741.9	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	March 16, 2021	14,845.8	April 8, 2021	15,754.2	Joint and several liability guarantee			Three years	No	No
Sinclair Pharma Limited	March 16, 2021	14,845.8	March 17, 2021	15,754.2	Joint and several liability guarantee			December 31, 2024	No	No
Sinclair Pharma Limited	March 16, 2021	31,695.78						Three years		
Sinclair Pharma Limited	April 28, 2022	58,600						Annually		
Sinclair	April	65,000						Annually		

Pharma Limited	14, 2023							y		
Total guarantee cap for subsidiaries approved during the reporting period (B1)		411,400		Total guarantee amount for subsidiaries actually occurred during the reporting period (B2)		150,574.42				
Total approved guarantee cap for subsidiaries at the end of the reporting period (B3)		736,438		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)		275,387.37				
Subsidiaries guarantee for subsidiaries										
Guarantee d party	Disclosu re date of the announc ement related to the guarante e Cap	Guaran tee Cap	Actual date of occurren ce	Actual guarante ed amount	Type of guarantee	Collate ral (if any)	Counter guaranty (if any)	Period of guarante e	Fulfilled or not	Guarante e for a related party or not
Chongqin g Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800		0		Annual ly				Y
Total guarantee cap for subsidiaries approved during the reporting period (C1)		4,800		Total guarantee amount for subsidiaries actually occurred during the reporting period (C2)						
Total approved guarantee cap for subsidiaries at the end of the reporting period (C3)		4,800		Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)						
Total amount of the Company’s guarantees (i.e. the sum of the above-mentioned 3 kinds of guarantees)										
Total guarantees cap approved during the reporting period (A1+B1+C1)		416,200		Total actual guarantee amount during the reporting period (A2+B2+C2)		150,574.42				
Total approved guarantee cap at the end of the reporting period (A3+B3+C3)		741,238		Total actual guarantee balance at the end of the reporting period (A4+B4+C4)		275,387.37				
Proportion of the actual guarantee amount (i.e. A4+B4+C4) in the Company’s net assets				14.10%						
Among them:										
Amount of debt guarantees provided directly or indirectly for the entities with a liability to asset ratio over 70% (E)				128,993.28						
Total guarantee amount of the above-mentioned three kinds of guarantees				128,993.28						

(D+E+F)

Note on the specific circumstance if multiple methods are adopted for guarantees

N/A

3. Entrusted wealth management

☐ Applicable ☒ N/A

No such case during the reporting period.

4. Other significant contracts

☐ Applicable ☒ N/A

No other significant contract during the reporting period.

XIII. Other major events

☐ Applicable ☒ N/A

No such case during the reporting period.

XIV. Major events of subsidiaries

☒ Applicable ☐ N/A

As of the release of this report, major assets had been disposed in the liquidation of Huadong Ningbo Medicine Co., Ltd. in the court. Some claims and accounts receivable are remained to be collected. The Company has arranged special personnel for participation and actively promoted the subsequent liquidation work. It is expected that this does not have any significant impact on the Company's operating results.

Section VII. Share Change and Shareholders

I. Changes in shares

1. Table of changes in shares

Unit: Share

	Before the change		Change in the period (+/-)					After the change	
	Quantity	Ratio	New shares	Bonus shares	Shares converted from capital reserve	Others	Sub-total	Quantity	Ratio
I. Shares subject to conditional restriction	4,268,300	0.24%	0	0	0	0	0	4,268,300	0.24%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	4,068,300	0.23%	0	0	0	0	0	4,068,300	0.23%
Including: Shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	4,068,300	0.23%	0	0	0	0	0	4,068,300	0.23%
4. Shares held by overseas	200,000	0.01%	0	0	0	0	0	200,000	0.01%

investors									
Including: Shares held by overseas corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas natural persons	200,000	0.01%	0	0	0	0	0	200,000	0.01%
II. Shares without restriction	1,749,727,048	99.76%	0	0	0	0	0	1,749,727,048	99.76%
1. RMB common shares	1,749,727,048	99.76%	0	0	0	0	0	1,749,727,048	99.76%
2. Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Foreign shares listed overseas	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,753,995,348	100.00%	0	0	0	0	0	1,753,995,348	100.00%

Reasons for the changes in share capital

☐ Applicable ☒ N/A

Approval for changes in share capital

☐ Applicable ☒ N/A

Transfer of shares

☐ Applicable ☒ N/A

Progress of share repurchase

☐ Applicable ☒ N/A

Progress of reducing repurchased shares through centralized bidding

☐ Applicable ☒ N/A

Effects of changes in share capital on the basic earnings per share, diluted earnings per share for the most recent year and the most recent period, the net assets per share attributable to the Company's common shareholders and other financial indicators

☐ Applicable ☒ N/A

Other disclosures the Company deems necessary or required by securities regulatory authorities

☐ Applicable ☒ N/A

2. Changes in restricted shares

☐ Applicable ☒ N/A

II. Issuance and listing of securities

☐ Applicable ☒ N/A

III. Total number of shareholders and their shareholdings

Unit: Share

Total number of common shareholders at the end of the reporting period		74,378		Total number of preference shareholders with restoration of the voting rights at the end of the reporting period (if any) (see Note 8)			0	
Particulars about common shareholders with a shareholding ratio over 5% or the top 10 common shareholders								
Name of Shareholder	Nature of shareholder	Shareholding ratio	Total common shares not held at the end of the reporting period	Changes in the reporting period	Number of common shares held with trading restrictions	Number of shares held without trading restriction	Pledged or frozen	
							Status	Quantity
China Grand Enterprises, Inc.	Domestic non-state-owned corporation	41.67%	730,938,157	0	0	730,938,157	Pledged	131,630,000
Hangzhou Huadong Medicine Group Co., Ltd.	State-owned corporation	16.42%	288,000,000	0	0	288,000,000		
Hong Kong Securities Clearing Company Ltd.	Overseas corporation	3.27%	57,408,083	1,400,012	0	57,408,083		
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Hybrid Securities Investment Fund	Others	2.74%	48,004,441	-1,311,800	0	48,004,441		
China Securities	Domestic non-state-	1.26%	22,186,818	0	0	22,186,818		

Finance Co.,	owned corporation							
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Fund	Others	1.00%	17,500,000	-2,500,078	0	17,500,000		
China Construction Bank Corporation - E Fund CSI 300 Healthcare Exchange Traded Fund	Others	0.72%	12,565,632	5,530,600	0	12,565,632		
National Social Security Fund - Profile 0	Others	0.59%	10,380,842	0	0	10,380,842		
National Social Security Fund - Profile 503	Others	0.48%	8,500,000	2,500,000	0	8,500,000		
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Innovation Stock Investment Fund	Others	0.43%	7,461,104	-2,116,480	0	7,461,104		
Strategic investors or general corporations become the top 10 common shareholders due to the placement of new shares (if any) (see Note 3)		N/A						
Explanation on associated relationships or concerted actions among the above-mentioned shareholders		The Company does not know whether the above-mentioned shareholders are related parties or whether they are acting-in- concert parties with one another.						

Description about above-mentioned shareholders' entrusting/being entrusted with and waiving voting rights	N/A		
Explanation of special account for repurchase among the top 10 shareholders (if any) (see Note 11)	N/A		
Shareholding of the top 10 common shareholders without trading restrictions			
Name of Shareholder	Number of common without restrictions held at the end of the reporting period	Type of shares	
		Type of shares	Quantity
China Grand Enterprises, Inc.	730,938,157	RMB common shares	730,938,157
Hangzhou Huadong Medicine Group Co., Ltd.	288,000,000	RMB common shares	288,000,000
Hong Kong Securities Clearing Company Ltd.	57,408,083	RMB common shares	57,408,083
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Hybrid Securities Investment Fund	48,004,441	RMB common shares	48,004,441
China Securities Finance Co.,	22,186,818	RMB common shares	22,186,818
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Fund	17,500,000	RMB common shares	17,500,000
China Construction Bank Corporation - E Fund CSI 300 Healthcare Exchange Traded Fund	12,565,632	RMB common shares	12,565,632
National Social Security Fund - Profile 0	10,380,842	RMB common shares	10,380,842
National Social Security Fund - Profile 503	8,500,000	RMB common shares	8,500,000
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Innovation Stock Investment Fund	7,461,104	RMB common shares	7,461,104
Description for affiliated relationship or concerted action among the top 10	The Company does not know whether the above-mentioned shareholders are related parties or whether they are acting-in- concert parties with one another.		

shareholders holding common shares without trading restrictions and between the top 10 shareholders holding common shares without trading restrictions and the top 10 shareholders	
Description of the participation in margin trading business of the top 10 common shareholders (if any) (see Note 4)	At the end of the reporting period, the Company had no shareholders holding its shares through margin trading and securities lending accounts among the top 10 common shareholders.

Whether the Company's Top 10 common shareholders or the Top 10 common shareholders without trading restriction have carried out any agreement to repurchase transaction during the reporting period

☐ Yes ☒ No

The Company's top 10 common shareholders or the top 10 common shareholders without trading restrictions have not carried out any agreement to repurchase transaction during the reporting period.

IV. Changes in shareholding of directors, supervisors and senior management members

☐ Applicable ☒ N/A

The shareholding of directors, supervisors and senior management of the Company has not changed during the reporting period. Please refer to the 2022 Annual Report for details.

V. Changes in holding shareholders or the de facto controller

Change of the controlling shareholder during the reporting period

☐ Applicable ☒ N/A

No such case during the reporting period.

Change of the de facto controller during the reporting period

☐ Applicable ☒ N/A

No such case during the reporting period.

Section VIII. Information on Preferred Shares

☐ Applicable ☒ N/A

No such case during the reporting period.

Section IX. Information on Bonds

☐ Applicable ☒ N/A

Section X. Financial Report

I. Audit report

Whether the semi-annual report has been audited?

☐Yes ☒No

The Company's semi-annual financial report is not audited.

II. Financial statements

The unit of statements in the financial notes is: yuan.

1. Consolidated balance sheet

Prepared by: Huadong Medicine Co., Ltd.

June 30, 2023

Unit: yuan

Item	June 30, 2023	January 01, 2023
Current assets:		
Monetary funds	4,393,835,953.54	3,996,302,178.41
Settlement reserve		
Lending funds		
Trading financial assets		
Derivative financial assets	24,806,772.30	29,907,470.68
Notes receivable		8,424,980.99
Accounts receivable	7,396,011,322.70	7,198,746,788.59
Receivables financing	1,343,534,867.76	1,002,511,208.21
Prepayments	362,087,140.00	500,083,953.14
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	553,681,604.74	283,710,955.63
Include: Interest receivable		
Dividend receivable	223,747.65	223,747.65
Financial assets purchased for resale		
Inventories	4,600,017,100.80	4,495,483,328.54
Contract assets		
Assets held for sale		
Other non-current assets expiring within one year		
Other non-current assets	54,881,711.01	52,692,618.78
Total current assets	18,728,856,472.85	17,567,863,482.97

Non-current assets:		
Loans and prepayments issuance		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	1,554,304,930.05	1,659,076,538.78
Other equity instrument investments	409,848,691.27	360,910,876.41
Other non-current financial assets		
Investment real estate	13,174,524.11	13,648,240.14
Fixed assets	3,882,268,169.12	3,981,653,265.52
Construction in progress	995,490,666.09	873,159,427.47
Productive biological assets		
Oil and gas assets		
Right-of-use assets	140,455,892.14	166,505,297.17
Intangible assets	2,336,097,668.47	2,280,064,207.30
Development expenditure	774,096,145.13	641,354,586.80
Goodwill	2,587,351,458.30	2,441,387,413.59
Long-term deferred expenses	20,981,527.19	16,457,278.57
Deferred income tax assets	192,386,807.93	152,842,858.97
Other non-current assets	1,320,687,263.41	1,037,279,933.15
Total non-current assets	14,227,143,743.21	13,624,339,923.87
Total Assets	32,956,000,216.06	31,192,203,406.84
Current liabilities:		
Short-term borrowings	1,052,194,176.07	947,516,383.37
Borrowing from the central bank		
Borrowing from other banks and other financial institutions		
Trading financial liabilities	8,970,278.04	14,841,896.97
Derivative financial liabilities		
Notes payable	1,728,257,564.68	1,029,409,686.81
Accounts payable	4,717,793,829.40	4,873,029,466.44
Advances from customers	1,869,073.27	1,154,243.42
Contract liabilities	125,334,375.52	146,488,489.07
Financial assets sold for repurchase		
Deposits from customers and due from banks		
Receipts for buying and selling securities as proxy		
Receipts for underwriting securities as proxy		
Employee benefits payable	215,063,488.67	256,883,423.68
Taxes payable	335,297,295.69	429,457,804.81
Other payables	2,810,793,780.14	2,290,407,022.05

Include: Interests payable		
Dividend payable	224,219.60	14,924,219.60
Handling fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Other non-current liabilities due within one year	349,680,396.42	147,835,514.81
Other current liabilities	12,763,947.51	15,788,164.30
Total current liabilities	11,358,018,205.41	10,152,812,095.73
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	746,918,081.65	1,051,457,747.44
Bonds payable		
Include: Preferred stock		
Perpetual bond		
Lease liabilities	92,232,272.51	84,610,324.98
Long-term payables	91,008,860.30	287,497,209.49
Long-term employee remuneration payable		
Estimated liabilities	41,068,049.26	37,925,549.41
Deferred income	176,825,542.10	126,123,512.71
Deferred income tax liabilities	193,669,206.28	202,084,083.93
Other non-current liabilities	73,251,500.00	73,251,500.00
Total non-current liabilities	1,414,973,512.10	1,862,949,927.96
Total liabilities	12,772,991,717.51	12,015,762,023.69
Owners' Equity:		
Share capital	1,753,995,348.00	1,753,995,348.00
Other equity instruments		
Include: Preferred stock		
Perpetual bond		
Capital reserves	2,407,928,799.63	2,377,887,246.39
Less: Treasury stock	104,645,000.00	104,645,000.00
Other comprehensive income	-91,570,465.50	-88,552,636.42
Special reserves		
Surplus reserves	1,151,441,705.28	1,151,213,039.48
General risk reserve		
Undistributed profit	14,415,245,210.75	13,488,021,239.94
Total owners' equity attributable to owner of the Company	19,532,395,598.16	18,577,919,237.39
Minority interests	650,612,900.39	598,522,145.76
Total owners' equity	20,183,008,498.55	19,176,441,383.15
Total liabilities & owners' equity	32,956,000,216.06	31,192,203,406.84

Legal representative: Lv Liang Person in charge of accounting: Lv Liang Person in charge of the Accounting Department: Qiu Renbo

2. Balance sheet of the parent company

Unit: yuan

Item	June 30, 2023	January 01, 2023
Current assets:		
Monetary funds	3,035,047,307.02	2,486,399,844.96
Trading financial assets		
Derivative financial assets		
Notes receivable		8,424,980.99
Accounts receivable	4,080,636,027.16	4,224,944,294.54
Receivables financing	439,506,917.27	157,097,728.09
Prepayments	99,551,906.14	271,448,367.52
Other receivables	1,782,359,340.53	1,065,267,397.05
Include: Interest receivable		
Dividend receivable	400,000,000.00	
Inventories	2,438,626,619.48	2,391,038,707.33
Contract assets		
Assets held for sale		
Other non-current assets expiring within one year		
Other non-current assets	417,032.05	
Total current assets	11,876,145,149.65	10,604,621,320.48
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	5,862,418,196.29	5,473,824,934.24
Other equity instrument investments	10,100,870.56	10,100,870.56
Other non-current financial assets		
Investment real estate	6,959,994.94	7,193,111.26
Fixed assets	138,895,929.52	144,023,222.94
Construction in progress	530,156.96	824,024.88
Productive biological assets		
Oil and gas assets		
Right-of-use assets	2,084,255.60	3,631,025.07
Intangible assets	174,300,679.26	188,198,218.40
Development expenditure		
Goodwill		
Long-term deferred expenses		77,379.81
Deferred income tax assets	58,469,297.94	49,729,544.62
Other non-current assets	259,185,602.33	346,564,596.26
Total non-current assets	6,512,944,983.40	6,224,166,928.04
Total Assets	18,389,090,133.05	16,828,788,248.52

Current liabilities:		
Short-term borrowings	500,086,610.91	431,081,029.52
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	829,240,274.76	629,281,486.95
Accounts payable	3,605,728,508.22	3,373,959,848.93
Advances from customers		
Contract liabilities	37,810,455.50	46,097,912.05
Employee benefits payable	3,937,885.92	10,063,669.60
Taxes payable	40,329,748.32	86,458,570.85
Other payables	1,348,814,904.68	949,611,806.93
Include: Interests payable		
Dividend payable	224,219.60	224,219.60
Liabilities held for sale		
Other non-current liabilities due within one year	31,393,500.00	33,427,007.32
Other current liabilities	4,889,117.73	5,830,680.38
Total current liabilities	6,402,231,006.04	5,565,812,012.53
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Include: Preferred stock		
Perpetual bond		
Lease liabilities	49,984.66	59,030.94
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income	34,284,223.65	35,567,161.11
Deferred income tax liabilities		
Other non-current liabilities	73,251,500.00	73,251,500.00
Total non-current liabilities	107,585,708.31	108,877,692.05
Total liabilities	6,509,816,714.35	5,674,689,704.58
Owners' Equity:		
Share capital	1,753,995,348.00	1,753,995,348.00
Other equity instruments		
Include: Preferred stock		
Perpetual bond		
Capital reserves	2,302,867,706.56	2,276,383,543.02
Less: Treasury stock	104,645,000.00	104,645,000.00
Other comprehensive income	-129,129.44	-129,129.44
Special reserves		
Surplus reserves	1,229,068,798.92	1,229,068,798.92
Undistributed profit	6,698,115,694.66	5,999,424,983.44
Total owners' equity	11,879,273,418.70	11,154,098,543.94
Total liabilities & owners' equity	18,389,090,133.05	16,828,788,248.52

3. Consolidated income statement

Unit: yuan

Item	Semi-Annual 2023	Semi-Annual 2022
I. Total operating revenue	20,385,344,288.81	18,197,963,991.01
Including: Operating revenue	20,385,344,288.81	18,197,963,991.01
Interests income		
Premiums earned		
Handling fees and commissions received		
II. Total operating cost	18,443,622,876.24	16,516,515,436.25
Including: Operating cost	13,917,418,061.11	12,243,374,078.15
Interest expenses		
Handling fees and commissions paid		
Surrender value		
Net payment of insurance claims		
Net appropriation of policy reserve		
Policy dividends paid		
Reinsurance expenses		
Business taxes and surcharges	106,685,622.91	96,083,582.73
Sales expenses	3,083,786,005.03	3,032,965,177.95
Administrative expenses	721,477,862.62	572,048,249.55
R&D expenses	558,407,142.27	566,596,381.67
Financial expenses	55,848,182.30	5,447,966.20
Including: Interests expenses	55,401,149.67	41,795,243.41
Interests income	33,022,555.87	49,960,917.39
Add: Other income	34,813,373.70	81,653,430.69
Investment income (Losses are indicated by “-”)	-136,885,042.56	-53,479,017.66
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	-120,429,152.98	-43,145,347.52
Gains on the derecognition of financial assets measured at amortized cost		
Gains on exchange (Losses are indicated by “-”)		
Gains on net exposure hedging (Losses are indicated by “-”)		
Gains from changes in fair values (Losses are indicated by “-”)	-5,100,698.38	
Credit impairment losses (Losses are indicated by “-”)	-36,432,398.31	-71,965,559.59

Impairment gains (losses) of assets (Losses are indicated by “-”)	-3,175,583.57	0.00
Asset disposal income (Losses are indicated by “-”)	3,519,820.08	8,506,580.12
III. Operating profit (Losses are indicated by “-”)	1,798,460,883.53	1,646,163,988.32
Add: Non-operating revenue	2,972,826.61	4,341,628.44
Less: Non-operating expenses	16,298,554.80	8,661,496.73
IV. Total profit (Total losses are indicated by “-”)	1,785,135,155.34	1,641,844,120.03
Less: Income tax expense	345,279,440.91	287,938,727.72
V. Net profit (Net losses are indicated by “-”)	1,439,855,714.43	1,353,905,392.31
(I) Classification by business continuity		
1. Net profit from continuing operations (Net losses are indicated by “-”)	1,439,855,714.43	1,353,905,392.31
2. Net profit at terminational operation (Net losses are indicated by “-”)		
(II) Classification by attribution of ownership		
1. Net profit attributable to shareholders of the parent company (Net losses are indicated by “-”)	1,433,824,629.56	1,340,570,484.98
2. Profit or loss attributable to minority shareholders (Net losses are indicated by “-”)	6,031,084.87	13,334,907.33
VI. Other comprehensive income, net of income tax	-8,889,448.01	-98,252,733.94
Other comprehensive income attributable to owners of the parent company, net of tax	-8,889,448.01	-98,252,733.94
(I) Other comprehensive income that cannot be reclassified into gains/losses	-808,768.81	-7,023,104.32
1. Changes in re-measurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of other equity instrument investments	-808,768.81	-7,023,104.32
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses	-8,080,679.20	-91,229,629.62
1. Other comprehensive income that can be reclassified into gains/losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets		

reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences from translation of foreign currency financial statements	-8,080,679.20	-91,229,629.62
7. Others		
Net amount after tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,430,966,266.42	1,255,652,658.37
Total comprehensive income attributable to owners of the parent company	1,424,935,181.55	1,242,317,751.04
Total comprehensive income attributable to minority shareholders	6,031,084.87	13,334,907.33
VIII. Earnings per share (EPS):		
(I) Basic EPS	0.8194	0.7661
(II) Diluted EPS	0.8190	0.7661

As for business merger under the same control in the current period, the net profit generated by the merged party before was yuan, and that generated during the previous period was yuan.

Legal representative: Lv Liang Person in charge of accounting: Lv Liang Person in charge of the Accounting Department: Qiu Renbo

4. Income statement of the parent company

Unit: yuan

Item	Semi-Annual 2023	Semi-Annual 2022
I. Total operating revenue	11,079,388,260.41	9,908,981,203.23
Less: Total operating cost	10,420,679,546.07	9,247,554,807.79
Business taxes and surcharges	12,616,117.10	14,000,999.79
Sales expenses	207,782,464.30	227,664,922.41
Administrative expenses	96,229,619.65	82,342,556.23
R&D expenses		
Financial expenses	4,055,926.11	-396,898.80
Including: Interests expenses	21,720,831.46	27,507,061.68
Interests income	23,053,892.55	32,303,808.77
Add: Other income	2,284,938.08	12,314,150.33
Investment income (Losses are indicated by "-")	1,023,821,754.37	1,013,355,132.27
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	-10,790,429.82	-7,439,207.20
Gains on the derecognition of financial assets measured at amortized cost (Losses are indicated by "-")		
Gains on net exposure hedging		

(Losses are indicated by “-”)		
Gains from changes in fair values (Losses are indicated by “-”)		
Credit impairment losses (Losses are indicated by “-”)	-54,688,951.13	-91,642,566.80
Impairment gains (losses) of assets (Losses are indicated by “-”)		
Asset disposal income (Losses are indicated by “-”)	3,543,591.91	7,341,180.70
II. Operating profit (Losses are indicated by “-”)	1,312,985,920.41	1,279,182,712.31
Add: Non-operating revenue	17,440.99	669,874.31
Less: Non-operating expenses	1,518,858.46	3,286,049.77
III. Total profit (Total losses are indicated by “-”)	1,311,484,502.94	1,276,566,536.85
Less: Income tax expense	104,135,140.80	88,593,758.11
IV. Net profit (Net losses are indicated by “-”)	1,207,349,362.14	1,187,972,778.74
(I) Net profit from continuous operations (Net losses are indicated by “-”)	1,207,349,362.14	1,187,972,778.74
(II) Net profit from discontinued operations (Net losses are indicated by “-”)		
V. Other comprehensive income, net of income tax		
(I) Other comprehensive income that cannot be reclassified into gains/losses		
1. Changes in re-measurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses		
1. Other comprehensive income that can be reclassified into gains/losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences from translation of foreign currency financial		

statements		
7. Others		
VI. Total comprehensive income	1,207,349,362.14	1,187,972,778.74
VII. Earnings per share (EPS):		
(I) Basic EPS		
(II) Diluted EPS		

5. Consolidated cash flow statement

Unit: yuan

Item	Semi-Annual 2023	Semi-Annual 2022
I. Cash flows from operating activities:		
Cash received from the sale of goods and the rendering of services	22,512,508,261.51	18,859,480,723.70
Net increase in customer deposits and due from banks		
Net increase in borrowing from the central bank		
Net increase in borrowing from other financial institutions		
Cash from the premium of the original insurance policy		
Net cash from reinsurance		
Net increase in deposits and investment of the insured		
Cash from interests, handling fees and commissions		
Net increase in borrowing from other banks and other financial institutions		
Net increase in funds for repurchase		
Net cash received for buying and selling securities as proxy		
Receipts of tax refund	13,105,796.43	11,410,179.66
Other cash receipts in relation to operating activities	253,862,517.46	264,979,395.43
Cash inflows from operating activities	22,779,476,575.40	19,135,870,298.79
Cash payments for goods purchased and services received	14,322,943,161.95	12,623,103,224.34
Net increase in customer loans and prepayments		
Net increase in deposits of central bank and due from banks		
Cash payments for original insurance claims		
Net increase in lending funds to other banks and other financial institutions		
Cash payments for interests, handling fees and commissions		
Cash payments for policy dividends		
Cash payments to and on behalf of employees	1,739,212,838.99	1,600,540,802.72
Payments of various types of taxes	1,395,137,423.20	1,824,842,188.89

Other cash payments in relation to operating activities	3,300,439,402.61	2,803,149,672.57
Cash outflows for operating activities	20,757,732,826.75	18,851,635,888.52
Net cash flow from operating activities	2,021,743,748.65	284,234,410.27
II. Cash flows from investing activities		
Cash receipts from recovery of investments		
Cash receipts from investment income	76,500,000.00	900,000.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	5,336,825.17	8,138,807.00
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	148,464,580.63	0.00
Cash inflows from investing activities	230,301,405.80	9,038,807.00
Cash payments for purchase and construction of fixed assets, intangible assets and other long-term assets	597,637,675.13	603,911,034.60
Cash payments for investment	52,794,250.00	29,400,000.00
Net increase in pledge loans		0.00
Net cash paid for acquisition of subsidiaries and other business units	130,057,945.49	270,952,210.17
Other cash payments in relation to investing activities	27,498,562.60	100,000,000.00
Sub-total of cash outflows of investment activities	807,988,433.22	1,004,263,244.77
Net cash flow from investing activities	-577,687,027.42	-995,224,437.77
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		30,000,000.00
Including: Cash receipts from capital contributions from minority owners of subsidiaries		30,000,000.00
Cash receipts from borrowing	2,148,865,020.50	2,750,601,977.68
Other cash receipts in relation to financing activities	457,402,316.71	248,207,838.55
Cash inflows from financing activities	2,606,267,337.21	3,028,809,816.23
Cash repayments of borrowings	2,557,868,542.48	2,144,574,467.10
Cash payments for distribution of dividends or profits or settlement of interest expenses	618,612,489.40	585,723,656.08
Including: Dividends and profits paid by subsidiaries to minority shareholders	13,328,000.00	1,960,000.00
Other cash payments in relation to financing activities	356,277,912.88	20,708,449.20
Cash outflows for financing activities	3,532,758,944.76	2,751,006,572.38
Net cash flow from financing activities	-926,491,607.55	277,803,243.85
IV Effect of foreign exchange rate changes on Cash and Cash Equivalents	8,950,719.04	-26,309,944.30
V. Net increase in cash and cash equivalents	526,515,832.72	-459,496,727.95
Add: Opening balance of cash and cash equivalents	3,416,910,702.33	3,580,140,638.17
VI. Closing balance of cash and cash equivalents	3,943,426,535.05	3,120,643,910.22

6. Cash flow statement of the parent company

Unit: yuan

Item	Semi-Annual 2023	Semi-Annual 2022
I. Cash flows from operating activities:		
Cash received from the sale of goods and the rendering of services	12,114,913,125.10	9,993,053,097.54
Receipts of tax refund		
Other cash receipts in relation to operating activities	347,415,767.25	322,420,601.02
Cash inflows from operating activities	12,462,328,892.35	10,315,473,698.56
Cash payments for goods purchased and services received	11,092,284,263.73	9,590,776,506.25
Cash payments to and on behalf of employees	142,869,496.55	157,221,560.98
Payments of various types of taxes	195,302,704.64	436,406,580.06
Other cash payments in relation to operating activities	460,908,694.29	257,469,024.63
Cash outflows for operating activities	11,891,365,159.21	10,441,873,671.92
Net cash flow from operating activities	570,963,733.14	-126,399,973.36
II. Cash flows from investing activities		
Cash receipts from recovery of investments		50,059,838.75
Cash receipts from investment income	676,500,000.00	0.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	5,172,908.53	5,936,300.00
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	334,071,068.06	245,102,300.59
Cash inflows from investing activities	1,015,743,976.59	301,098,439.34
Cash payments for purchase and construction of fixed assets, intangible assets and other long-term assets	13,018,410.49	3,052,228.94
Cash payments for investment	360,565,000.00	36,400,000.00
Net cash paid for acquisition of subsidiaries and other business units	10,000,000.00	
Other cash payments in relation to investing activities	385,407,000.00	433,741,844.00
Sub-total of cash outflows of investment activities	768,990,410.49	473,194,072.94
Net cash flow from investing activities	246,753,566.10	-172,095,633.60
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowing	1,771,457,855.10	1,146,017,508.00
Other cash receipts in relation to financing activities	2,410,893,781.55	1,109,442,166.67
Cash inflows from financing activities	4,182,351,636.65	2,255,459,674.67
Cash repayments of borrowings	1,722,457,855.10	1,255,017,310.01
Cash payments for distribution of dividends or profits or settlement of interest expenses	573,738,738.44	567,035,703.19
Other cash payments in relation to financing activities	1,950,457,429.10	983,212,333.68
Cash outflows for financing activities	4,246,654,022.64	2,805,265,346.88

Net cash flow from financing activities	-64,302,385.99	-549,805,672.21
IV Effect of foreign exchange rate changes on Cash and Cash Equivalents	-138,375.85	
V. Net increase in cash and cash equivalents	753,276,537.40	-848,301,279.17
Add: Opening balance of cash and cash equivalents	2,029,798,269.62	1,919,097,181.16
VI. Closing balance of cash and cash equivalents	2,783,074,807.02	1,070,795,901.99

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: yuan

Item	Semi-Annual 2023														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less : Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Sub-total		
		Minority interest	Perpetual bond	Others											
I. Balance at the end of the period of the prior year	1,753,995,348.00				2,377,887,246.39	104,645,000.00	-88,552,636.42		1,151,213,039.48		13,488,021,239.94		18,577,919,237.99	598,522,145.76	19,176,441,383.15
Add: Changes in accounting policies															
Error correction in the prior periods															
Consolidation of enterprises under common control															
Others															
II. Balance at the beginning of the period of the current year	1,753,995,348.00				2,377,887,246.39	104,645,000.00	-88,552,636.42		1,151,213,039.48		13,488,021,239.94		18,577,919,237.99	598,522,145.76	19,176,441,383.15
III. Amount of change in					30,041.5		-3,01		228,665.		927,223,		954,476,	52,090.7	1,006,56

the current period (Decreases are indicated by “-”)					53.2 4		7,82 9.08		80		970. 81		360. 77	54.6 3	7,11 5.40
(I) Total comprehensive income							- 3,01 7,82 9.08				1,43 3,82 4,62 9.56		1,43 0,80 6,80 0.48	6,03 1,08 4.87	1,43 6,83 7,88 5.35
Capital contributed by owners and capital decreases					19,7 48,6 39.5 8								19,7 48,6 39.5 8	47,9 89,7 27.8 6	67,7 38,3 67.4 4
1. Common shares invested by owners														47,8 69,7 70.1 0	47,8 69,7 70.1 0
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment included in owners' equity					19,7 48,6 39.5 8								19,7 48,6 39.5 8	119, 957. 76	19,8 68,5 97.3 4
4. Others															
Profit distribution											- 508, 658, 650. 92		- 508, 658, 650. 92	- 1,96 0,00 0.00	- 510, 618, 650. 92
1. Withdrawal of surplus reserve															
2. Provision of general risk reserve															
3. Distribution to owners (or shareholders)											- 508, 658, 650. 92		- 508, 658, 650. 92	- 1,96 0,00 0.00	- 510, 618, 650. 92
4. Others															
Internal conversion of owners' equity									228, 665. 80		2,05 7,99 2.17		2,28 6,65 7.97		2,28 6,65 7.97
1. Capital (or share capital)															

increase from capital reserve conversion															
2. Capital (or share capital) increase from surplus reserve conversion															
3. Recovery of losses by surplus reserve															
4. Retained earnings from transfer of changes in the defined benefit plan															
5. Retained earnings from transfer of other comprehensive income								228,665.80		2,057,992.17		2,286,657.97		2,286,657.97	
6. Others															
Special reserve															
1. Withdrawal in the current period															
2. Use in the current period															
(VI) Others					10,292,913.66								10,292,913.66	29,941.90	10,322,855.56
IV. Balance at the end of the current period	1,753,995,348.00				2,407,928,799.63	104,645,000.00	-91,570,465.50		1,151,441,705.28		14,415,245,210.75		19,532,395,598.16	650,612,900.39	20,183,008,498.55

Amount in the prior year

Unit: yuan

Item	Semi-Annual 2022														
	Owners' equity attributable to the parent company												Min ority inter ests	Tota l own ers' equi	
	Shar e capi	Other equity instruments			Capi tal rese	Less : Trea	Oth er com	Spe cial rese	Surp lus rese	Gen eral risk	Und istri bute	Oth ers			Sub- total
		Min	Perp	Oth											

	tal	ority inter est	etua l bon d	ers	rves	sury stoc k	preh ensi ve inco me	rves	rves	rese rve	d prof it				ty
I. Balance at the end of the period of the prior year	1,74 9,80 9,54 8.00				2,22 9,86 8,31 2.11	0.00	- 47,7 68,2 25.8 0		1,02 1,67 0,68 7.31	0.00	11,6 25,7 94,0 01.4 6		16,5 79,3 74,3 23.0 8	361, 944, 682. 60	16,9 41,3 19,0 05.6 8
Add: Changes in accounting policies															
Err or correction in the prior periods															
Co nsolidation of enterprises under common control															
Ot hers															
II. Balance at the beginning of the period of the current year	1,74 9,80 9,54 8.00				2,22 9,86 8,31 2.11	0.00	- 47,7 68,2 25.8 0	0.00	1,02 1,67 0,68 7.31	0.00	11,6 25,7 94,0 01.4 6		16,5 79,3 74,3 23.0 8	361, 944, 682. 60	16,9 41,3 19,0 05.6 8
III. Amount of change in the current period (Decreases are indicated by “-”)	0.00				34,3 42,6 90.6 8	0.00	- 98,2 52,7 33.9 4	0.00	0.00	0.00	833, 125, 716. 06		769, 215, 672. 80	43,3 34,9 07.3 3	812, 550, 580. 13
(I) Total comprehensive income							- 98,2 52,7 33.9 4				1,34 0,57 0,48 4.98		1,24 2,31 7,75 1.04	13,3 34,9 07.3 3	1,25 5,65 2,65 8.37
Capital contributed by owners and capital decreases														30,0 00,0 00.0 0	30,0 00,0 00.0 0
1. Common shares invested by owners														30,0 00,0 00.0 0	30,0 00,0 00.0 0
2. Capital															

invested by holders of other equity instruments															
3. Amount of share-based payment included in owners' equity															
4. Others															
Profit distribution											- 507, 444, 768. 92		- 507, 444, 768. 92	0.00	- 507, 444, 768. 92
1. Withdrawal of surplus reserve													0.00		0.00
2. Provision of general risk reserve															0.00
3. Distribution to owners (or shareholders)											- 507, 444, 768. 92		- 507, 444, 768. 92		- 507, 444, 768. 92
4. Others															
Internal conversion of owners' equity															
1. Capital (or share capital) increase from capital reserve conversion															
2. Capital (or share capital) increase from surplus reserve conversion															
3. Recovery of losses by surplus reserve															
4. Retained earnings from transfer of changes in the defined															

benefit plan															
5. Retained earnings from transfer of other comprehensive income															
6. Others															
Special reserve															
1. Withdrawal in the current period															
2. Use in the current period															
(VI) Others					34,342,690.68								34,342,690.68		34,342,690.68
IV. Balance at the end of the current period	1,749,809,548.00				2,264,211,002.79	0.00	-146,020,959.74	0.00	1,021,670,687.31	0.00	12,458,919,717.52		17,348,589,958.8	405,279,589.93	17,753,869,585.1

8. Statement of changes in owners' equity of the parent company

Amount in the current period

Unit: yuan

Item	Semi-Annual 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Others	Total owners' equity
		Minority interest	Perpetual bond	Others								
I. Balance at the end of the period of the prior year	1,753,995,348.00				2,276,383,543.02	104,645,000.00	-129,129.44		1,229,068,798.92	5,999,424,983.44		11,154,098,543.94
Add: Changes in accounting policies												
Err or correction in the prior periods												
Others												

II. Balance at the beginning of the period of the current year	1,753,995,348.00				2,276,383,543.02	104,645,000.00	-129,129.44		1,229,068,798.92	5,999,424,983.44		11,154,098,543.94
III. Amount of change in the current period (Decreases are indicated by “-”)					26,484,163.54					698,690,711.22		725,174,874.76
(I) Total comprehensive income										1,207,349,362.14		1,207,349,362.14
Capital contributed by owners and capital decreases					19,868,597.33							19,868,597.33
1. Common shares invested by owners												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners' equity					19,868,597.33							19,868,597.33
4. Others												
Profit distribution										-508,658.650.92		-508,658.650.92
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)										-508,658.650.92		-508,658.650.92
3. Others												
Internal conversion of owners'												

equity												
1. Capital (or share capital) increase from capital reserve conversion												
2. Capital (or share capital) increase from surplus reserve conversion												
3. Recovery of losses by surplus reserve												
4. Retained earnings from transfer of changes in the defined benefit plan												
5. Retained earnings from transfer of other comprehensive income												
6. Others												
Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others					6,615,566.21							6,615,566.21
IV. Balance at the end of the current period	1,753,995,348.00				2,302,867,706.56	104,645,000.00	-129,129.44		1,229,068,798.92	6,698,115,694.66		11,879,273,418.70

Amount in the prior year

Unit: yuan

Item	Semi-Annual 2022											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury	Other comprehensive	Special reserve	Surplus reserve	Undistributed	Others	Total owners'
		Minority	Perpetual	Others								

		interest	bond		es	stock	ve income	es	es	profit		equity
I. Balance at the end of the period of the prior year	1,749,809,548.00				2,168,451,528.01	0.00	-129,129.44		1,099,526,446.75	5,340,988,582.88		10,358,646,976.20
Add: Changes in accounting policies												0.00
Err or correction in the prior periods												0.00
Others												0.00
II. Balance at the beginning of the period of the current year	1,749,809,548.00				2,168,451,528.01	0.00	-129,129.44		1,099,526,446.75	5,340,988,582.88		10,358,646,976.20
III. Amount of change in the current period (Decreases are indicated by "-")										680,528,009.83		680,528,009.83
(I) Total comprehensive income										1,187,972,778.75		1,187,972,778.75
Capital contributed by owners and capital decreases												
1. Common shares invested by owners												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners' equity												

4. Others												
Profit distribution										- 507,4 44,76 8.92		- 507,4 44,76 8.92
1. Withdrawal of surplus reserve												0.00
2. Distribution to owners (or shareholders)										- 507,4 44,76 8.92		- 507,4 44,76 8.92
3. Others												
Internal conversion of owners' equity												
1. Capital (or share capital) increase from capital reserve conversion												
2. Capital (or share capital) increase from surplus reserve conversion												
3. Recovery of losses by surplus reserve												
4. Retained earnings from transfer of changes in the defined benefit plan												
5. Retained earnings from transfer of other comprehensive income												
6. Others												
Special reserve												
1. Withdrawal in the current period												

2. Use in the current period												
(VI) Others												0.00
IV. Balance at the end of the current period	1,749,809.548.00				2,168,451.528.01		-129,129.44		1,099,526.446.75	6,021,516.592.71		11,039,174.986.03

Huadong Medicine Co., Ltd.

Chairman of the Board: Lv Liang

August 16, 2023